



CANADA

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OFFICIAL REPORT  
(HANSARD)

**Thursday, October 5, 1995**

**Speaker: The Honourable Gilbert Parent**

## CONTENTS

(Table of Contents appears at back of this issue.)

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## HOUSE OF COMMONS

Thursday, October 5, 1995

The House met at 10 a.m.

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*Prayers*

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### ROUTINE PROCEEDINGS

[*Translation*]

#### PEACEKEEPERS IN FORMER YUGOSLAVIA

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Madam Speaker, allow me first of all to apologize to the representatives from the Bloc Québécois and the Reform Party for notifying them of this morning's ministerial statement on such short notice. This decision was made only late yesterday. The United Nations will announce a substantial reduction in its forces in the former Yugoslavia, and I thought that a statement should be made here in this House before the UN makes its announcement today.

I should point out that I was under no obligation to make a statement in this House, but I thought that, even on such short notice, the opposition parties, who have always been involved and who have always had the opportunity to express their views on the peacekeeping forces deployed in the former Yugoslavia, would appreciate this opportunity to participate in a parliamentary debate and express for the record their reactions and, I hope, their support for the government's decision.

Allow me to say that the situation in Bosnia has changed considerably in the past few weeks. The UN having concluded that it no longer needs all authorized UNPROFOR contingents, it has asked some contributing countries to reduce their forces and others to withdraw theirs.

These cuts and reassignments will affect some 9,000 soldiers. UNPROFOR strength will drop from 21,000 to 15,000, while the rapid reaction force added to the UN contingent will lose some 3,000 members.

Canadian Forces elements are among those that the UN feels are no longer needed in Bosnia. The details of this decision will be announced today by the Secretary-General of the United Nations.

The Canadian battalion now in Bosnia will therefore not be replaced when its current six month mandate expires in November. A parliamentary debate was held when this battalion was deployed; some members expressed their support for this action while others stated that we should withdraw from the former Yugoslavia. The return of this battalion that will not be replaced should, I presume, satisfy Reform members who told us at the time that we should substantially reduce the number of Canadian troops in Bosnia.

I should, however, point out that Canada will maintain a presence in the region, as Canadian military observers and Canadian personnel at the UN force headquarters will remain in Zagreb and Sarajevo. Canadian troops now assigned to NATO operations in the Adriatic Sea, whose job is to monitor the no-fly zone in Bosnia, will not be affected by this reduction either.

[*English*]

If current efforts to reach a peace agreement are successful the region will enter a new phase. Canada will contribute to reconstruction efforts in the former Yugoslavia. Once a settlement has been reached Canada will be there, if necessary, in the new force with our allies to help implement the peace under the authority of the United Nations and as part of Canada's continuing commitment to Europe.

Canada has been in the former Yugoslavia for three and a half years, since the beginning of peacekeeping in the region. Canadians have served with distinction in land, sea and air operations. We will continue to be involved with 13 military observers and one ship with a crew of 212 personnel. We will be involved in the Sarajevo air bridge with one aircraft and 45 personnel. We will also have six people in the AWACs aircraft and 50 people in headquarters.

I pay tribute to the courage and integrity of thousands of Canadian forces personnel who have served with honour under the Canadian and UN flags. I pay special homage to those who have paid the supreme sacrifice in the service of peace. I express on behalf of all Canadians appreciation to those who will continue to participate in the UN efforts to forge a lasting peace in the area.

[*Translation*]

I wish to thank this House for allowing us to make this short statement, which also gives the opposition parties an opportunity to express their views.

*Routine Proceedings*

**Mr. Jean H. Leroux (Shefford, BQ):** Madam Speaker, I am pleased to participate in this debate on Bosnia this morning on behalf of the Bloc Québécois.

I would like to point out, however, that, as the minister indicated, we received a copy of the ministerial statement only half an hour ago. I think this is unreasonably short notice.

• (1010)

This rather high handed approach speaks volumes about the government's lack of respect for even the most fundamental parliamentary procedures. It is customary in Parliament for the minister to send out a copy of his statement at least one day ahead. This is typical of the foreign affairs minister.

In 1990, this very minister had the gall to claim that federalism acts as a shield to protect individual freedoms. There is cause for concern when we hear this kind of falsehood. It was the Liberal government that did not hesitate to implement the War Measures Act in 1970, using an alleged danger of insurrection in Quebec to trample the rights and freedoms of several hundred Quebecers.

One can rightly be outraged to hear such the remarks from this minister, who told the Bélanger-Campeau commission that abuse of fundamental rights by the government is more likely in countries with a single level of government. This is the same man who made outrageous remarks during a recent trip to New York, drawing a parallel between the former Yugoslavia and the highly democratic process under way in Quebec to achieve sovereignty.

What did the minister mean when he said: "We have not started killing another yet, and I hope that what is going on in the former Yugoslavia will never happen in Canada"? The Minister of Foreign Affairs and the Government of Canada should be ashamed of making such insinuations. This kind of irresponsible behaviour on the part of the minister says a lot about the No side: intolerance, abuse, insults.

At any rate, it is with a feeling of having done our duty that we learned this morning that the Canadian battalion deployed in Bosnia will not be replaced when its mandate ends in November. If the work done by our peacekeepers is starting to pay off, it is precisely because we steadfastly assumed our responsibilities as the official opposition the whole time.

When there was strong pressure to withdraw our troops, abandoning the civilian population over there in a state of destitution and insecurity, as the Reform Party suggested for instance, we, Bloc members, felt that it was our humanitarian duty to stay on location.

As the Leader of the Opposition said as early as January 1994, we had to bear in mind that we had to take on, to the best of our

abilities, our fair share of the tasks that arise out of our belief in the democratic values of peace and justice. Today, we can see the concrete result of this. There is every indication that the conflict in Bosnia can be resolved through negotiations instead of violence and massacres. On behalf of the Bloc Québécois, I wish to pay tribute to the courage and sacrifice of all our military personnel, some of whom gave their lives so that peace could prevail.

[English]

**Mr. Bob Mills (Red Deer, Ref.):** Madam Speaker, I make my comments from the national opposition standpoint.

After three and a half years of excellent service our peacekeepers are finally coming home from Bosnia. That is just great. They deserve hearty congratulations for a job well done. During these years our peacekeepers have had to operate under the most difficult of circumstances but they always fulfilled their duties with distinction.

All our troops who have served in the former Yugoslavia have the thanks of the Canadian people and Parliament. To the families of those who were killed in the service of peace, we also pay our deepest respects.

For over a year now the Reform Party has been asking for this day to happen. I refer directly to the statement. I believe there is a coded message in that statement. I draw to the attention of the minister that the last debate in the House occurred on March 29, which was a six-month mandate. That mandate expired at the end of September of this year. Somehow it has been extended to November without consulting the House.

• (1015)

The minister commented that we will be part of a new force. There is no detail of what this new force might be. There is no suggestion of what the criteria might be under which we would participate. There are a lot of questions Canadians are asking. They want the questions answered and the criteria established in the House.

The questions include cost, length of the commitment and whether there is peace to keep. Is there a mandate for our troops when they go? Most important, they want to know if we will be part of the decision making, not like with the former Yugoslavia where the contact group was one thing and we more or less put up our hands and said we would go along with what was decided.

We have to look at the UN and the reforms. I know the minister is interested in that. We have to look at the mismanagement that has occurred and the serious doubts we have about UN missions, Somalia, the former Yugoslavia and now Haiti where there appear to be serious problems in terms of conducting the mandate. We have to establish those criteria.

The government has mismanaged the whole affair. I find it difficult since we received the statement only 15 minutes ago. However the minister has said he is not responsible for that.

The debates in the House have brought serious questions forward. I do not believe they have been heard. This summer during a critical time there was a lack of leadership. The minister was unavailable for comment. The Prime Minister was found in a canoe somewhere and gave some very general comments which I found to be very insulting to me as a parliamentarian and to Canadians.

The Reform Party thanks our troops. We demand from Parliament that it set some criteria before we become the 911 UN call number. We must do it in Parliament and not simply in cabinet. We want to return the confidence of the people of Canada to peacekeeping and to the management and leadership the government should be showing.

**Mr. Ouellet:** Madam Speaker, I apologize. I forgot to table the letter during my original statement. I should like to table the letter we received from Kofi Annan, the undersecretary general for peacekeeping operations, outlining the decisions of the UN addressed to us. It will be of interest to all parliamentarians.

**The Acting Speaker (Mrs. Maheu):** Does the minister have unanimous consent to table the letter?

**Some hon. members:** Agreed.

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#### INCOME TAX CONVENTIONS IMPLEMENTATION ACT, 1995

**Hon. Lawrence MacAulay (for the Minister of Finance)** moved for leave to introduce Bill C-105, an act to implement a convention between Canada and the Republic of Latvia, a convention between Canada and the Republic of Estonia, a convention between Canada and the Republic of Trinidad and Tobago and a protocol between Canada and the Republic of Hungary, for the avoidance of double taxation and the prevention of fiscal evasion with respect to taxes on income.

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

\* \* \*

• (1020)

#### PETITIONS

##### INCOME TAX ACT

**Mr. Paul Szabo (Mississauga South, Lib.):** Madam Speaker, pursuant to Standing Order 36 I wish to present a petition circulating across Canada. It is signed by a number of Canadians from the Oakville, Burlington and Mississauga areas of Ontario.

#### Government Orders

The petitioners 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 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 on Parliament to pursue initiatives to eliminate tax discrimination against families that decide to provide care in the home to preschool children, the disabled, the chronically ill or aged.

CFB CALGARY

**Mr. Stephen Harper (Calgary West, Ref.):** Madam Speaker, it is my honour and duty to present to the House a petition containing the signatures of 7,953 people, part of a larger petition of nearly 10,000 signatures, mainly from people in the city of Calgary.

These residents are opposed to the closing of CFB Calgary and are increasingly concerned as they learn that the move of CFB Calgary to Edmonton will not save taxpayer dollars. The move is not designed to do so.

**The Acting Speaker (Mrs. Maheu):** I wish to inform the House that pursuant to Standing Order 33(2), because of the ministerial statement, Government Orders will be extended by 16 minutes.

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#### QUESTIONS ON THE ORDER PAPER

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

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

**Some hon. members:** Agreed.

#### GOVERNMENT ORDERS

[English]

##### WITNESS PROTECTION PROGRAM ACT

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.)** moved that Bill C-78, an act to provide for the establishment and operation of a program to enable certain persons to receive protection in relation to certain inquiries, investigations or prosecutions, be read the second time and referred to a committee.

He said: Madam Speaker, I am pleased to open debate on Bill C-78, the witness protection program act, and to ask for its approval on second reading.

The bill creates for the first time a statutory foundation for the Royal Canadian Mounted Police source witness protection

*Government Orders*

program. I am sure all members realize the importance of witness and source protection. Governments must be able to help ensure the safety and security of persons who assist police and prosecutors in their efforts to crack down on crime.

Experience shows that witnesses or sources who provide evidence or who assist in police investigations at risk of harm to themselves or their families are often among the most effective tools our justice system has against crime, especially organized crime.

The intent of the witness protection program act is to ensure our federal witness protection program offers the best possible protection to potential witnesses and sources.

• (1025)

[*Translation*]

The proposed changes to the act will make the current RCMP source witness protection program—which has been in effect since 1984 as a strictly administrative program—more transparent and more efficient, by providing sound statutory and regulatory authority.

[*English*]

In short, we are creating a witness protection program which for the first time will have a legislative base. This will have the important effect of placing the RCMP source witness protection program more in the public domain.

I know this was a major concern of my colleague, the member for Scarborough West, when he put forward his private member's bill on witness protection. His bill provided a useful basis for discussion of the issues leading to Bill C-78. I again thank him for his efforts.

Under the bill there will now be clear accountability for the operation of the RCMP source witness protection program. While the identities of sources and witnesses will remain secret, the selection criteria, the decision making process and the scope and the extent of the protection to be provided will be transparent and clear. This will help ensure that both applicants who enter the program and the RCMP which operates it have a clear understanding of their respective rights and obligations as well as the extent and scope of the protection to be provided.

[*Translation*]

This should also prevent any misunderstanding between the RCMP and those it seeks to protect. Overall, the changes to the RCMP source witness protection program will meet the needs of police departments, as well as those of witnesses and sources requiring protection.

[*English*]

The proposed changes will ensure clearly defined admission criteria for witnesses, the consistent handling of cases across the country, and the clear setting out of the responsibilities and obligations both of the administrators of the program and of the

individuals entering it. The bill will also ensure a more defined management structure within the RCMP for the daily operation of the program, thereby increasing accountability.

Furthermore the bill will ensure a complaints procedure is in place and that the commissioner of the RCMP will submit to the solicitor general an annual report on the operation of the program which then must be tabled in the House.

Provincial and municipal law enforcement agencies will still, as they have done in the past, be able to participate in the RCMP source witness protection program on a cost recovery basis. However the bill is not intended to replace other witness protection programs run by provincial police forces and by some municipal police forces.

In keeping with the government's program of fiscal restraint, the changes to the RCMP source witness protection program arising out of the bill will be funded out of existing resources.

When the government was elected it made a commitment to a safe homes, safe streets agenda. Since taking office we have been honouring that commitment. We have introduced Bill C-45 to bring about an updating of our corrections and parole system. This bill has now been passed by the House and is being studied in the other place.

We have created a system using the Canadian Police Information Centre data banks to help screen out sexual abusers as potential employees and volunteers working with children. We have established also using the CPIC data banks a national flagging system to help provincial crown attorneys to make more frequent and more effective use of the dangerous offender provisions of the Criminal Code as an instrument to protect the public better from dangerous high risk offenders.

• (1030)

We have introduced comprehensive gun control proposals, proposals adopted by the House and under study in the other place. We have created a national crime prevention council. We have passed amendments to the Young Offenders Act. We have passed Bill C-41 to reform the sentencing process. We have passed legislation that would prevent extreme intoxication from being used as a defence to excuse violence and other serious crimes. We have passed legislation that permits a provincial court judge to issue a warrant allowing police to obtain body samples from suspects for forensic DNA analysis.

The Witness Protection Program Act is another important component in our overall effort to improve the safety and security of all Canadians. I urge all hon. members to support Bill C-78. In this respect I thank the hon. Reform Party member for Surrey—White Rock—South Langley when she was solicitor general critic for having expressed her support of the bill. Therefore I look forward to and I ask for similar support from all other members of the House to ensure speedy passage of Bill C-78.

*Government Orders*

[*Translation*]

**Mr. François Langlois (Bellechasse, BQ):** Madam Speaker, I am pleased to rise on behalf of the official opposition to discuss Bill C-78, which was just tabled by the solicitor general.

It is somewhat surprising that, for all intents and purposes, Bill C-78 is similar to a bill considered by the House on September 26, namely Bill C-206, which introduced by the hon. member for Scarborough West and given first reading on February 1.

Indeed, a comparison of both bills shows that there is very little difference between Bill C-78, which is before us today, and Bill C-206, which has already gone through second reading in this House.

The only changes that I could find, and they are not major, are that compensation of witnesses may be better under bill C-78. Also—and to my mind this is not an improvement—under this bill, the RCMP commissioner will now have to make the necessary arrangements with witnesses, or their counsel, to ensure their protection. Under Bill C-206, as considered on September 26, the solicitor general had the authority to reach agreements with witnesses. That, of course, made it easier, under our parliamentary system, to ensure control of government activities through ministerial accountability.

This, I feel, is an issue which the committee will have to look at again. In terms of the principles involved, there is not much difference between the solicitor general's position and the one which I express on behalf of the official opposition. Nevertheless, we will have to take another look at this issue and decide who should be responsible for the arrangements made. I understand that it can be argued that the RCMP commissioner is ultimately accountable to the solicitor general who, in turn, is accountable to this House, which means that the House will have a say in the process. I will come back to this point.

• (1035)

Before getting into the heart of the matter, I would like to begin by stating that the contribution by the hon. member for Scarborough West, not only in introducing Bill C-206 but also in taking part in all aspects of the work of Parliament, particularly in the justice and legal affairs committee, ought to ensure that he will have the opportunity in the very near future of having his point of view heard on legal issues within that committee.

Now, having made that remark, and having voiced these few reservations, I must, nevertheless, express my pleasure at the care the government has taken with this issue of witness

protection. I believe that the government's wishes will result in a change in Canadian law.

We must admit that we lagged considerably behind our American neighbours, who have had witness protection legislation applying to all 50 states of the union for 25 years now. That legislation is well known by the general public, which is thus aware of its rights.

Here, we do have some legislation in this regard, but it is not as well known and is administered by the RCMP in some cases, by the OPP or the Sûreté du Québec in others, but always sporadically and piecemeal, which does nothing to help the general public understand the system.

In a law-abiding society, I do not believe that we can settle for a piecemeal approach, with decisions depending on the whims of whoever is responsible for policing at a specific time. I feel that instead we need to have legislation that will apply all across Canada and will therefore incorporate in the rules of law those principles we wish to be seen in our public law. This will improve the situation of witnesses, particularly in criminal cases, and more particularly in cases involving serious crimes.

It is my opinion that this will put an end to the application, in a sometimes sequential manner and without any controls, though it was done in good faith, of procedures about which there might be witness confusion as to which policies apply to them. From now on it will be clear, and attorneys will be able to inform witnesses of the protection programs available to them by law. This transparency in application of the law cannot help but be beneficial to the community at large.

As I just pointed out, there should be one set of criteria for everyone, and the public should be aware of those criteria.

Now, how should witness protection be structured and how should it be monitored? Should the courts monitor witness protection or should it be left up to the RCMP commissioner or the minister?

Some will probably argue that monitoring by the courts would involve a certain amount of publicity which may not be desirable in this case, because often the purpose of the witness protection program is to allow the witness, who has put his life on the line many times, to hide behind a new identity so that he can start a new life.

If there is monitoring by the judiciary, every precaution must be taken to avoid undue publicity or releasing names, which could be disastrous and even do the opposite of what the bill introduced by the government is intended to do.

*Government Orders*

There could, however, be a form of monitoring by Parliament. I have been, and still am, a member of the Sub-Committee on National Security, and I submit that this would probably be the ideal venue for reviewing, either from time to time or on an ongoing basis, as deemed appropriate by the committee, the entire witness protection system and its implementation by the RCMP.

The expertise of the Sub-Committee on National Security—which I would like to see become a standing committee of this House—would ensure that parliamentarians would be able to monitor the actions of the police in this respect, both discreetly and effectively, I would hope.

• (1040)

Those are some of the issues. I hope that in committee we will have an opportunity to hear witnesses, and we may be able to clarify certain points during clause by clause consideration.

In serious cases involving drug trafficking and organized crime, for instance, often the very survival of the witnesses is at stake. Under our legal system, the crown's case is usually based on the testimony of witnesses as opposed to confessions by the accused. That is the whole point of protecting witnesses. There are no spontaneous confessions. We live in a country that respects its citizens. We have reached a level in our civilization where we can treat people with respect. We cannot force people to confess. The crown often has to introduce circumstantial evidence by calling witnesses, and these witnesses must be protected.

The crown never knows, during the bail hearing, the preliminary hearing or, later, the trial—all of which may, or may not be, part of the process—whether it can count on these witnesses at a given time. We have to protect witnesses and we also have to protect the evidence that may be collected at some time or other. The very fact that courts across the country have a huge backlog of cases means that preserving evidence is a serious problem in Canada. Evidence collected at a previous stage may often no longer be valid at a subsequent stage if the witness is nowhere to be found. So, in addition to protecting witnesses, we must also protect the evidence.

The Crown prosecutors' big concern is whether they can keep their witnesses until the time of the trial. They wonder whether the witnesses will answer their questions properly, once on the stand. Time is often the Crown's greatest enemy in a criminal trial. Witnesses' memory is inversely proportional to the length of the proceedings. It is perhaps even directly proportional, that is, it fails as proceedings go on or the risk of failure increases. It is a bit like cigarettes. The risk increases with use.

At the moment, there are no ways to deal with this, since witnesses' memories often fail in criminal cases. People at home can see on TV what happens when witnesses do not want

to remember anything or when they cannot remember anything, all the pressure that can be brought to bear on people who want to help in the cause of justice, but are unable to because of constraints imposed on them.

So Bill C-78 will remedy this to some extent. It should not be considered a magic formula, a miracle solution. I am one of those who believe that, in politics, nothing happens magically or gets done immediately, we progress by taking one small step at a time in the right direction. I consider this bill, Bill C-78, one such step and, in using it, we will see what sort of contribution it makes to changing criminal law, protecting witnesses and safeguarding justice in criminal matters.

I also think there are two times, in particular, when witnesses need help. Before the trial, naturally. At that point, witnesses' material security must be looked after, and they must be given effective protection. In some instances, they literally have to be hidden for their own protection—I hope it is with their approval—so they may give proper testimony, which will give a court of law the opportunity to assess the quality of the testimony and decide whether the Crown has presented beyond any reasonable doubt the necessary evidence. We must not forget that, under our system, the burden of proof is on the Crown. And the burden is enormous. The slightest failure in this regard inevitably leads to the acquittal of the accused.

• (1045)

In the case of heinous crimes—I will address drugs and organized crime later—the mere disappearance of witnesses can raise a reasonable doubt. Often, if witnesses, who may or may not show up in court, disappear, the prosecution will simply have to rise and tell the court that they have no evidence to offer. This can only lead to an acquittal since there is no evidence. We must then provide protection for witnesses before the trial.

Protecting witnesses before the trial is not enough, however, we must also protect them after the trial, after the verdict, whether it is a verdict of guilty or not guilty, because there is no guarantee that the testimony of a witness protected under the provisions of Bill C-78 will be enough to convict someone. The bill must allow witness protection authorities to assure witnesses that if they testify at the trial, they will be protected whether the accused is found guilty or not guilty, because witnesses' safety cannot be compromised whatever the verdict.

I mentioned it earlier but it always bears repeating: In some cases, because of our legislation—I am not questioning our Criminal Code in any way—because of the presumption of innocence and the resulting reasonable doubt, there may be an acquittal even if the witness is protected. We must therefore provide for the reintegration of those witnesses who have secured convictions or who have failed to do so through no fault of their own because of the way the evidence was reviewed.

*Government Orders*

In closing, I wish to express my support for Bill C-78 at second reading and to issue a warning against what we too often see in some courts of law that are probably trying to proceed too quickly. A famous trial recently held in Canada showed us that the prosecution is often much too eager to plea-bargain with some witnesses to get them to testify against their codefendants, an arrangement through which a person pleads guilty to a lesser offence or an offence included in a more serious offence in return for a lighter sentence and a promise to testify against targeted people for whom the prosecution wants stiffer sentences.

In some cases, this practice is quite commendable; in other cases, it is, in my opinion, quite reprehensible. And I do not think that good judgment can be guaranteed by a bill. I call on the solicitor general, on provincial attorney generals, who must deal with these issues practically every day, to use as much common sense as possible when plea-bargaining with witnesses, many of whom are corrupt, who will testify against codefendants in return for a more lenient sentence. This practice deserves a serious examination. It must be the subject of wide criticism and of a broad national debate.

What do we expect from our judicial system? Our judicial system does not make enough room for victims. We, of course, give the accused all the benefits provided by our laws, by our charter of rights and freedoms. We must, however, give victims in criminal cases the importance they deserve. As we heard several times in the Standing Committee on Justice and Legal Affairs, victims of crime very often feel left out. A crime has been committed but the victims are the least of our concerns. It is all well and good to be concerned about witness protection. I nonetheless think that people who have lost a loved one—be it a spouse, a child, a friend or a relative—to murder are entitled to some compassion.

• (1050)

On these words, I will ask the government to provide protection, to provide much greater compensation for victims.

[*English*]

**Mr. Myron Thompson (Wild Rose, Ref.):** Madam Speaker, I believe I have 40 minutes. If so, I will be sharing my time with the member for Fraser Valley West.

**The Acting Speaker (Mrs. Maheu):** Does the hon. member have unanimous consent of the House to share his 40 minutes as first speaker?

**Some hon. members:** Agreed.

**Mr. Thompson:** Madam Speaker, at the outset I congratulate the member for Scarborough West for initiating this topic through his private member's bill. It needed to be done and it brought the attention of the government to the fact there was a shortfall in our system regarding the protection of witnesses.

It is unfortunate that such members are no longer part of the justice committee. He is a member who contributed much, who understood much about legislation and who was able to formulate this kind of initiative. I am sure he would be able to do more in the future. However, since he does not co-operate with his Liberal caucus when voting on some bills, he will no longer be serving on the justice committee. It is a shame that we have that situation in Canada, but unfortunately that is the way it will be with the Liberal government. However I am sure the hon. colleague will be contributing as much as possible in the future along these lines.

We must protect our witnesses if we are to combat crime. I do not think anyone would deny that. The colleague from the Bloc mentioned the words common sense, which are the two key words. We must protect our witnesses and we must do it in a common sense manner. We have to take many things into consideration when we are doing it.

We all know the importance of witnesses when it comes to fighting crime. It is much easier when we have good witnesses to help put away criminals that need to be put away. We also know it is foolish to enter into any kind of special agreement with individuals. We only need to look to the latest court case involving Mr. Bernardo and Ms. Homolka. Providing for and doing what we did for the witness, Karla Homolka, in that case was a criminal act in itself. We need to be cautious when doing these kinds of activities, which could make it very possible that someone who is guilty of an offence would be let off the hook under a protection act for witnesses. We need to be careful about that.

There are a lot of crazies out there in the world who are in it for the dollars. They are willing to eliminate witnesses. We know they are out there. We know we have some in the prisons today. I talked to one inmate not too long ago in British Columbia who was there for eliminating a couple of witnesses; he was a paid hit man. We know there are more of them out there. We know that organized crime is becoming more and more active with the bombings that we see going on throughout Montreal and other parts of the country and with the smuggling that is taking place only an hour's drive from here, which occurs on a regular basis. When we know that kind of organized crime is active then we have to be very careful when we bring forward witnesses that may crunch organized crime. We certainly must have some kind of protection in place, because the criminals would be willing to eliminate the witnesses rather quickly to protect the huge industry that exists.

• (1055)

It is unfortunate that we have a government, a solicitor general and a minister of justice who sit back and watch these kinds of activities go on and do not seem willing to get involved or do much about them. It is a shame when we pick up the paper and read about bombings taking place in Canada by terrorists, thugs and organized criminals, and we have a government that sits back and the best it can come up with is that it is a provincial matter and we should not get involved. It is a very poor attitude

*Government Orders*

and a real lack of intestinal fortitude when it comes to saying that we will take the bull by the horns and make our streets and our communities safer.

It is unfortunate the solicitor general alluded in his speech to all the wonderful things the Liberal government has done through Bills C-45, C-41, C-37 and C-68, to name a few. That just is not so. The House knows and all the people across Canada know that a number of things were attempted with the particular bills to make them better, to put the victim first. We also know that in every instance when there was a motion put forward in Bill C-45, which was simply geared to making things better for the victims of our country, the government turned them down and did not vote for one of them, not one.

It is silly for the minister to stand in his place to try to convince Canadians that he is doing a wonderful job when he turns down such things as mandatory restitution and then says that mandatory restitution is taken care of in Bill C-41. That is just not so.

The government is saying that it is up to a judge: if the judge wants to order it then he can do so and then things will take place and the restitution will happen. That just is not the case. We know that judges today can tell people that they will have to make restitution, but it does not mean anything. There is no enforcement. We cannot get blood out of a rock.

When we suggest that we will take part of the money we will pay them when they are in the penitentiary to put to the use of victims it is turned down. I guess it makes too much sense. It is something Canadians want.

Governments in the past 30 years are used to passing all kinds of legislation: if the people want it, do not do it, and if the people do not want it then make sure we do it. GST and all these other things apply to that.

It is unfortunate that during his speech the solicitor general alluded to the fact that these other bills were contributing to the safety of Canadians. He mentioned Bill C-37, the improvements to the Young Offenders Act. If Bill C-37 was such a wonderful improvement, I wonder if someone on the other side of the House could tell me why the Minister of Justice asked the members of the justice committee to put on their parachutes and fly around the country. They are flying all over Canada and are asking people once again what they would like to do with young offenders. They are spending lots of money going through a process that is totally unnecessary.

If we put each member on the justice committee on a street corner in any city to talk to the grassroots, the people who are closest to these crimes, about what should be done with the Young Offenders Act, I am quite certain they would get an answer. For a fact thousands and thousands of letters have been received from across the country telling the minister and others what to do with the Young Offenders Act. We have had petitions galore, with millions of signatures suggesting that we get rid of the Young Offenders Act or fix it. It has been ignored. Bill C-37 did not address that.

The government went through the process of getting Bill C-37 passed and then it turned around and sent the justice committee across the country to ask people what to do about young offenders.

To stand in the House and say "we did it, we got Bill C-37, aren't we wonderful" is just a bunch of baloney. I am really tired of hearing people in the House saying what a wonderful job the government is doing in fighting crime and keeping its red book commitment. That is not so. There is so much more the government could do but it does not dare.

• (1100 )

I will admit that Bill C-78 makes total sense. It is something Canadians want. I congratulate the government for at least bringing forward one bill that will protect the right individuals, potential victims and witnesses rather than criminals.

The rights of criminals have always been up front, first and foremost. That has been the biggest worry for the government over the past 30 years, particularly in the last few years since the charter of rights has come into being. It must protect the criminal. There seems to be such a terrible amount of emphasis on that. It becomes really sickening. With Bill C-78 I say that at last we have something concrete and will protect the right people.

I should like to put a proposal to the government. When it is doing legislation in the future, the first thing to be written down in the legislation should be the word victim, the law-abiding people, the ones we need to look after. They are the most important people and criminals should be put somewhere else. Yes, nobody denies that we should look after the basic rights of the criminal. But, for crying out loud, we must remember the victims and do what can be done in all legislation to protect them.

Liberals stand in the House to tell us about the wonderful gun legislation. Somebody tell me what kind of balance is 17 pages which address the criminal versus 160 pages which go after law-abiding people. The document is so thick we cannot carry more than three or four. It is so expensive that we cannot order very many for our constituents to look at because of the cost. That document is full of regulations and all kinds of things law-abiding people are expected to do.

*Government Orders*

In the meantime there are individuals running around the country who are armed better than most military units. I see nothing being done about the real problems, but I constantly see all kinds of legislation coming forward that is not doing what it could for victims and law-abiding people. Instead the government concentrates on making certain that things are done right according to the charter so that the criminals are forever looked after. Canadians are getting tired of it.

I will conclude and turn it over to my colleague for Fraser Valley West by saying that Bill C-78 is the kind of bill we are most happy to support. I thank the government for bringing it forward. Once again, I thank my colleague for Scarborough West, the initiator of the whole idea. I hope we will see more legislation that says victims come first and not the criminals.

**Mr. Randy White (Fraser Valley West, Ref.):** Madam Speaker, it is a pleasure to speak on Bill C-78 today. As my colleague for Wild Rose said, it is one of the few pieces of legislation we have seen in the criminal justice system today from the Liberal government which actually directly and successfully address a concern we have in our society, the protection of witnesses.

The protection of witnesses is actually quite an informal program today managed by the RCMP. Certainly there is no overriding national program that looks after the interests of the victim.

Regardless of what the government says, it is necessary to take the country back from the criminal element. Time and time again I hear that crime is not on the increase. I would denounce that theory of the government. We only have to stand in a circle of friends anywhere in the country and ask who has been the victim of a crime. I am not just talking about serious sexual crimes or the high profile crimes we see in Vancouver, Toronto and so on. I am talking about major everyday crime: break and enters, stolen vehicles and so on.

• (1105)

We have to somehow get to the nub of the issue. We have to get back to punishment for disobeying laws. That includes actually getting the criminal incarcerated.

A victims protection act gives confidence to those out there who are intimidated by the process. It gives them some confidence of protection. I can think of several instances in my community which I have been involved with where intimidation was a very large part of an exercise of the criminal.

I can think of a lady named Joan who was sexually assaulted by a pretty hardened individual who had spent more time on the inside than on the outside. He has been in and out of parole board hearings. Every time he gets out he commits another crime and goes back in.

This time good old Karel sexually assaulted Joan with a weapon. The weapon was a needle with cocaine in it. Joan was

63 years old. All through the process, through the court hearings and so on when I was there with Joan, the individual was intimidating her by way of looks and other things that were done. The intimidation was there.

Not only did it happen in the courtroom but subsequent to his incarceration when he was in Vancouver remand waiting for his little trip to the regional psychiatric centre, good old Karel started to send threatening letters to Joan. It just brought home to me very clearly why witnesses need protection. Joan had no one to look after her.

We finally got the letters stopped. Imagine, he was in Vancouver remand for such a horrendous crime and used stamps paid for by the taxpayer to threaten the very person he attacked. That is the kind of thing going on.

Hopefully Bill C-78 will do something about those sorts of things. There are other people who need protection. Joan was not only a witness but was a victim at the same time. There are people who see things today and are just plain afraid to take that step forward because of the intimidation.

Along with my colleague from Wild Rose, I spent some time yesterday with the mayor of Cornwall who has some serious problems in that community. There are serious criminal activities. He is a pretty sure and very responsible individual. I am certain that with the intimidation he has been under, the threats and so on, there are times that people like him who want to stand up for their community and provide public service but are being threatened by gangs and organized crime need formal protection.

The mayor of Cornwall and other brave individuals who are willing to stand up and be counted and people who witness the crimes that are going on down there right off the reserves need the protection. They need the confidence they will get the protection.

The witness protection program will strengthen the existing RCMP source witness protection program. Hopefully the process will be formalized so that both the witness and the RCMP know and understand it. It is a loose program today. People do not understand their rights.

• (1110)

Victims rights do not discontinue with such things as witness protection programs. There are all kinds of other things which also need attention as far as victims rights go. There will be a victims rights bill in the House of Commons this year. Within that bill there are things that have to be addressed.

For instance, victims should have the right to give oral and written statements at parole board hearings. Today they are at times allowed a written statement but in many cases the statements are vetted. I have seen victims' statements in sentencing hearings of murder cases. I am not a lawyer but I attend these cases when my riding is involved. I was at one where the victim's statement was actually vetted which is wrong. The

*Government Orders*

Liberal government has to understand that victims should have the right to have oral and written statements put forward.

There are other things about the criminal justice system that have just got to be said. It is about the intimidation of witnesses. I am looking here at a document produced by a colleague on the government side concerning judicial review decisions of people who were sentenced to death. That sentence was revoked and put into the current life sentence, which is 25 years, and now under section 745 the sentencing decision is being reduced further. That is appalling. It is truly appalling to be reducing these sentences.

Let me give two examples in which I was involved. Dwight Lucas was sentenced to 20 years for a non-capital murder. That was reduced to 16 years. An individual from Quebec has had his 25-year sentence for killing a police officer reduced to 15 years. At the time of the killing the individual would have been put to death but they said: "No, we will make it 25 years". Now, after time has gone by, the individual's sentence has been reduced to 15 years. That is wrong. These people are out on the streets and ultimately, when other crimes are committed, witnesses are going to need protection against the very people we are letting out who should not have been let out in the first place.

The thinking over there is truly convoluted. It does not wash with the greater portion of people. The government thinks it is right. What is it going to take to convince the Liberal government that its laws in the criminal justice system are just too liberal?

It will take a removal of the government in the next election. For those folk who are listening, it will come down to some very specific issues in the next election: the economy, the criminal justice system and just how democratic or undemocratic the process in the House of Commons actually is.

**Mr. Thompson:** The pensions.

**Mr. White (Fraser Valley West):** The MPs pensions, my colleague from Wild Rose said. That will always be an issue. Since he has mentioned it, I did wear my piggy tie for those who are still involved in the MPs pension plan, just so people would notice. I had not thought of that until they raised it.

• (1115)

There are times when we have to use a crook to catch a crook and we have to use the information they have as witnesses. Yes, unfortunately some of those individuals get off from their crimes and some of those people have to be under a witness protection act. I suppose the end justifies the means in that case. However there are a lot more people out there today witnessing crimes who are just too intimidated to do anything about it. All I ask is that the Liberal government follow through with a

thorough witness protection act and regulations that are well meaning and protect the witness.

We do not need rhetoric such as we heard on the Young Offenders Act when government members said they had made great changes. They did not. We do not need rhetoric like that. We need to do Bill C-78 right. We need to protect the good people who want to come forward.

Members opposite are enjoying this. They say that they do things right. If they are doing things so right, why are there so many victims? If they are doing things right, why are there so many complaints about the Young Offenders Act, which was absolutely boggled by the Liberal government? If they are absolutely right about what they are doing, why is it that down in Cornwall the government does not have the courage of its convictions to go on to the reserve and end the crime wave? Why is that? If they are doing things right, why is that? That kept them quiet for a moment.

What is wrong is the government is very long on rhetoric and very short on dealing with the actual problems. It does not have the courage to go on to the reservations to deal with the crime rate. Meanwhile the people off reserve are suffering from the crime wave. Where do they think the drugs are coming from that are in the schools in Cornwall? They know where they are coming from. Where do they think the guns are coming from?

This is not something we dreamed up. We were down there listening. The government is not listening. It should get up the courage to go on to some of the reservations and deal with organized crime. That the government is doing something is hogwash. It is doing nothing.

I am glad we had this little chat, but it is more than a little chat members opposite need. People who are listening to this debate will understand that there is a big difference between being long on rhetoric and short on action. This will haunt the Liberal Party in the next election. The treatment that victims are getting today from government legislation is abysmal. That is why there are groups like Victims of Violence, CRY and CAVEAT. They are springing up all across the country. They know that the legislation the government puts through is wrong.

I have a few notes about Bill C-45.

• (1120)

**The Acting Speaker (Mrs. Maheu):** I remind the member we are discussing Bill C-78.

**Mr. White (Fraser Valley West):** Madam Speaker, I got carried away, because none of the bills they have put forward so far are any good. I am surprised that Bill C-78 is something I can agree with.

*Government Orders*

When we talk about compensation for crimes, the government comes up with things like 30 per cent of their income for room and board. What the government does not come up with is what kind of income they are getting. Government members say it is \$5.61 a day, but they discount the fact that they get GST rebates, old age pension, CPP and the guaranteed income supplement. They discount that.

There is nothing more that can be said. I would agree with Bill C-78, but the Young Offenders Act, Bill C-45, Bill C-41 and all these other acts are abysmally poor. We cannot deal with the problems in the criminal justice system by dealing with one Bill C-78, which is only a small portion of what is needed, and by working in a very poor fashion on the other bills. They should not take credit for something until they do it 100 per cent right, not 3 per cent right.

What more can we say? The only way to get through their thick heads is to replace them, and that we will do in the next election.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Madam Speaker, I rise to participate in the debate following the remarks of the hon. member for Fraser Valley West. I will try to draw the debate back to the bill before us, instead of the scatter gun treatment we have had all over the place on all the other legislation the hon. member says he does not like. When he gets a good bill he does not know what to say; he is almost tongue tied. I sympathize with him, but I want to address my remarks to Bill C-78, the witness protection program act, which is the one we are debating in the House of Commons today.

The purpose of Bill C-78 is to establish a solid legislative and regulatory basis for the RCMP source witness protection program. This is necessary to ensure that our national witness protection program offers the best protection possible to potential sources and witnesses. Given the importance of the program and the fact that we are strengthening it and making it more open and accountable, it would be useful to provide the House with a brief historical overview of the RCMP source witness protection program and some background that went into the development of the witness protection program act.

I am sorry the hon. members find this so amusing. I do not think it is.

Historically witness protection programs are most closely associated with the investigation of organized crime. The term organized crime covers a broad range of criminal activity, including large scale drug trafficking, murder, serious assault, money laundering, extortion and robbery.

I wish hon. members would restrain themselves. They seem to treat serious legislation as a joke. The hon. member for Fraser

Valley West in his remarks did not talk about the bill, and I did not find his remarks amusing.

The hon. member says that the speech was written for me. I am assisting the solicitor general in my capacity as his parliamentary secretary today. I am trying to impart information to the House concerning the bill so that hon. members perhaps will make more enlightened comments later. I wish the hon. member for Fraser Valley West had not split his time. He could have made his remarks after mine and would have benefited from listening.

As often as not, the crimes committed by these organized groups go hand in hand with the use of fear and intimidation to ensure the silence of potential witnesses and informants.

• (1125 )

Using a broad definition of organized crime, it can be said that at the present time approximately 50 per cent of RCMP source witness protection program cases deal with organized crime. However witness protection today has a broader application. The disturbing trend in recent years has been the use of fear and intimidation by lone criminals. These people are willing to go to any lengths to avoid conviction or to extract retribution from witnesses. As a result a growing number of people need protection as a result of their role in cases that have nothing to do with organized crime.

To deal with the growing need for witness and source protection, and in response to increased enforcement priority placed on fighting major national and international drug trafficking organizations, the RCMP source witness protection program was started in 1984. Although originally intended for the use of the RCMP alone, the program now provides protective services to provincial and municipal police forces across Canada. While many police forces rely entirely on the RCMP for witness protection services, some of the larger police departments have formed their own witness protection units. These larger police services usually come to the RCMP for assistance in cases where federal help is needed to facilitate a change of identity for a witness or an informant.

Most people entering the RCMP source witness protection program in the mid-1980s were associated with major drug trafficking activities. However, as I mentioned a moment ago, this has changed of late. Today a growing proportion of people entering the program have been involved in Criminal Code offences such as murder and serious assault. Since starting the source witness protection program the RCMP has built up an infrastructure of experienced members and contacts. RCMP members are available in every province and territory to support witness relocations and protection, to obtain secure identity changes, and to help obtain the necessary provincial documents to authenticate those changes.

*Government Orders*

At headquarters in Ottawa RCMP members have developed national RCMP witness protection policy procedures and contacts to facilitate the changes that must be made within numerous federal government data banks when a witness or an informant receives a new identity.

The annual cost of the RCMP witness protection program is \$3.4 million. As my learned friend, the solicitor general, has already pointed out, no additional costs are expected as a result of the legislation. The average cost per case is \$30,000 and approximately 60 per cent of cases cost less than \$20,000.

At any given time there are approximately 80 to 100 people, including family members, in the program. The success of the RCMP source witness protection program speaks for itself. Of the large number of witnesses, informants and their families who have been relocated since the program began, none has come to any harm. It is difficult to establish precise conviction statistics for cases involving protected witnesses. However, based on available data, approximately 85 per cent to 90 per cent of cases involving witness protection result in convictions, usually because of the testimony of the protected person.

From my brief remarks I am sure the hon. members can appreciate how important the witness source protection program is as a law enforcement tool. There is no more devastating evidence than the firsthand testimony of a trusted accomplice exposing the inner workings of a criminal organization or that of a witness who has seen a serious crime take place and can identify the perpetrators. Whether a witness or an informant, these individuals are invaluable assets of the police and the judicial system.

[*Translation*]

That is why it is our responsibility, as legislators, to do everything possible to ensure that our national witness protection program is as efficient and effective as it can be. It is for this purpose that the government is introducing this bill.

● (1130)

The proposed legislation was drafted in consultation with all major stakeholders and after all issues had been thoroughly examined. In my view, it is particularly important to point out that police forces across the country were consulted. In 1992, a questionnaire was sent out to about 400 municipal and provincial police forces in the country.

Our goal was to assess how much protection witnesses were afforded, determine the types of offences being committed and the nature of the protection provided, examine the problems facing service users and recommend improvements. We also conducted a comprehensive review of witness protection programs in place in other countries, particularly the U.S., United Kingdom and Australia.

Bill C-78 incorporates the results of the analysis performed on the data collected and the lessons drawn from this extensive research. In short, this bill is the result of many years of research and effort and it will ensure that our national witness protection program remains modern and effective. Under the provisions of the bill, our program will continue to provide safe and effective support to witnesses under protection while at the same time remaining open and transparent.

Witness protection in itself will not check violent crime or organized crime. But it is nonetheless a major element of the investigative techniques available to law enforcement officials and a tool very useful to police in fighting against organized crime and major criminal activity in Canada. We must therefore make sure that it remains such a tool.

The solicitor general has already given the House the broad outlines of the bill and proposed changes to the RCMP's sources-witness protection program. All hon. members will agree that the need for such changes is crystal-clear. In conclusion then, I would like to echo the closing remarks made by the solicitor general and urge all hon. members to ensure the speedy passage of Bill C-78.

[*English*]

**Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.):** Madam Speaker, I am pleased to have the opportunity to speak on Bill C-78. I sought the opportunity because over the past 15 years I have been active as a lawyer in the criminal justice system. As a lawyer I have worked with witnesses in court, as a defence counsel, as a crown prosecutor for the provincial Government of Ontario and as a crown prosecutor for the federal government.

On other occasions I have worked as counsel for witnesses who were involved in witness protection programs. I have had the opportunity to see firsthand what happens to a person, particularly a member of the public, who becomes a witness and to people in the past who became involved in our less formal former witness protection program. I have also seen what happens when a witness is intimidated or when an accused person or a person involved in crime attempts to intimidate a witness.

It is now past the time when we should come forward and set out some clear legislation, some clear rules and clear guidelines and regulations to deal with persons who find themselves in the very delicate and very dangerous position of being a witness and being subject to duress and penalty from those who would seek to quiet them.

Criminals have successfully utilized fear and intimidation of potential witnesses to avoid prosecution and punishment for their criminal acts. Individuals will go to great lengths to avoid conviction or to exact violent retribution from witnesses. We have recognized this. We have worked with this in the system for a long time. We now recognize that enforcement agencies need the support and the assistance of the public to further their investigations and to achieve success in their efforts to bring criminals to justice.

• (1135)

That support would not be forthcoming in the absence of programs designed to ensure the safety of those citizens prepared to get involved by providing information or testifying against criminals.

Witnesses are the ultimate public servants. They are people without whom we could not operate our criminal justice system and without whom we could not bring criminals to the courts and to justice. Witnesses fall into several categories. There are witnesses who are paid to be witnesses and who receive salaries for that, public servants, police officers, investigators at Revenue Canada or at Canada Customs, investigators in various forms of activities that could result in criminal prosecutions. These people are accustomed to dealing with criminals. They also have a role in life that allows them within the system to have the protection of their office and the protection of their job.

On the other end of the spectrum there are ordinary citizens who by coincidence or accident find themselves witnesses to crimes: somebody is walking down the street and they see a bank robber getting away or they witness a car accident in which one of the drivers was criminally negligent or drunk.

Some members of the public become witnesses by virtue of their status as victims of crime. These witnesses by and large come forward and provide a tremendous public service with little concern for their own personal safety as a result of their testimony.

Witnesses who may have been involved with organized crime or other forms of criminal activity and who come forward, as much as they may want to come forward, have their lives affected adversely. These are people who live under threat, people who live in fear of some kind of punishment from those they would seek to accuse or witness against.

There are also witnesses we seek out, we being the government or the agency doing the investigation. These witnesses fall into the general loose category of informants, paid informants or sources. It is an unfortunate fact of life that sometimes we have to go to criminals to bring criminals to justice. Sometimes we have to go to people involved in an activity to have their assistance in bringing to justice the main perpetrators.

The legislation is intended to cover these people and to protect them in the event their lives are in danger. The legislation will cover agents who participate in investigations as well as informants.

### *Government Orders*

The witness protection program act defines a witness as a person who has given or who has agreed to give information or evidence or has agreed to participate in a matter relating to an inquiry or the investigation or prosecution of an offence whose security is at risk as a result. Also included in the definition are persons who may require protection due to their relationship to or association with the people previously mentioned.

We are talking about people who by accident or on purpose become involved in an investigation and who are under duress from those who would be investigated as a result. Protection under the act can include relocation, accommodation, change of identity, counselling, financial support for those people or for any other purpose in order to ensure their security and to facilitate their re-establishment or their becoming self-sufficient. It covers a wide range of services that can be provided.

• (1140)

Not everyone involved in the witness protection program will live a secret existence in the future. They may simply require counselling or assistance to get on with their lives after the trauma of having dealt with this.

We know from previous speakers that the annual cost of the protection program is \$3.4 million and that there will be no additional costs as a result of the legislation.

The legislation clearly defines what is expected of the government and what is expected of the witnesses as a result of this program. In the past there has been a problem because our program has been informal and because the program has been allowed to change with particular circumstances.

As a result there have been complaints from those who are protected and from the RCMP which administers the program that people's expectations are not being met and that the RCMP needs assistance in defining how far it can go and what it should do to protect the witness.

The new legislation will ensure a clear defined admission policy for witnesses, consistent treatment of cases across the country, a clear setting out of responsibilities and obligations of administrators of the plan and protectees entering the program, and a more defined management structure within the RCMP for the daily operation of the program, thereby increasing accountability.

This is an important section. I recall dealing with a witness who was under protection and who was having difficulty within the system making contact with someone to assist her or to give some answers on some information she required. Even as a lawyer it was a bit of a nightmare trying to get through the maze of administration to find someone who could assist her with her problem. The more clearly defined management structure within the RCMP will assist to straighten that out.

*Government Orders*

A complaints procedure will be in place and the commissioner of the RCMP will submit to the solicitor general an annual report on the operation of the program.

During 1994 and 1995 we have provided protective services to 70 new witnesses, 30 of whom were referred by other agencies. The \$3.4 million we are spending annually on the program will not increase as a result of the change in administration but the money will be spent more effectively. It will be spent more clearly on guaranteeing the safety of the witnesses.

It is important for the public to understand and appreciate that the witness protection program operates across the country, but it does not operate in a vacuum. In devising the statute and in setting out the scheme in the act we have consulted all the provinces and territories.

When someone applies for the program or when a decision is made to admit an applicant to the program, the following factors will be taken into consideration: the potential contribution the witness or source can make toward a police investigation; the nature of the offence under investigation; the nature of the risk to the individual; what alternate methods of protection are available; the danger to the community if the individual is admitted to the program; the potential effects on any family arrangements; the likelihood of the individual's being able to adjust; their maturity, their ability to make judgments and other personal characteristics; the cost of maintaining the individual in the program; and other factors the commissioner of the RCMP finds relevant.

It is important that there be a clear, defined decision making process to admit an individual into the program. In serious cases such as those requiring a change of identity or an admission of a foreign applicant, the decision to admit an individual will be made only by the assistant commissioner in charge of the program. A decision to terminate protection must also be made by the assistant commissioner.

This is only part of the Liberal safe streets, safe neighbourhoods program. Obviously we need statutes like this. No matter how much serious crime there is, we know there always will be crime and there always will be a need to protect people.

When we are protecting people we need to be able to say to Canadians we are protecting people worthy of protection, that we are protecting people when there is a serious risk and that we have a clearly defined methodology for doing it. As the economy becomes healthier, as we work toward the creation of jobs and the creation of prosperous communities, we will find there will be less and less violent crime on our streets.

• (1145)

Those who would seek to encourage Canadians to believe that violent crime is increasing at the present time are being disingenuous because we know statistically and from crime reports that is not the case.

The bill is not a response to the fearmongering that exists in certain quarters of society. It is a practical, concrete response to a need to clearly define and assist the criminal justice system in witness protection. It is a practical, pragmatic response to a situation we have been able to identify. It is part of the ongoing Liberal government plan for safe streets and safe communities in Canada.

**Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.):** Madam Speaker, I extend my gratitude to the Solicitor General of Canada for establishing a legislative base for the RCMP's source and witness protection program. I also assure him of my total support.

It is another useful and effective tool for our law enforcement officials. It will reduce crime and make Canada a safer place for everyone.

Our various colleagues in the House have defined the extent and content of the bill. I found the interventions of my colleagues very interesting. I particularly refer to the previous intervention by my colleague from Windsor.

As my hon. colleague and the solicitor general have said, in the past criminals have successfully used fear and intimidation of potential witnesses to avoid prosecution and punishment for their crimes. Enforcement agencies need the support and assistance of the public to further their investigations to successfully bring criminals to justice.

*[Translation]*

The bill under examination today is aimed at improving the RCMP's witness and informant protection program, making it more effective and more open. Its intent is to protect those who assist our police forces in criminal investigations, particularly when organized crime is involved.

It is an acknowledged fact that the contribution of informants and witnesses is often essential in resolving certain criminal investigations. The Quebec Minister of Public Security, for instance, stated only a few days ago that the most effective means of curtailing the war between motorcycle gangs in Quebec is to recruit informants and witnesses. Those who co-operate with law enforcement agencies occasionally place themselves in dangerous positions as far as their personal safety is concerned, and we owe it to them to provide the best possible protection.

In the past, some participants in the old sources and witnesses program have complained that they did not get the benefits they

had been promised. This will not happen any longer, because the changes proposed today will ensure the application of clear and uniform criteria across the country.

[English]

The changes proposed by the witness protection program act will help ensure that both the applicants who enter the program and the RCMP which operates it have a clear understanding of their rights and obligations. The legislative initiative defines a range of protective services and benefits that can be provided. It makes the program more transparent and more accountable.

The process of how one gets into the program has been clearly defined.

• (1150)

A decision to admit an applicant to the RCMP SWPP, as it is called, will be based on the following factors: the potential contribution the witness source can make toward a particular police investigation; the nature of the offence under investigation; the nature of the risk to the individual; alternative methods of protection that are available; danger to the community if the individual is admitted to the program; the potential effects on any family relationships; the likelihood of the individual being able to adjust to the program, that is the maturity of that individual, the maturity of their judgment and other personal characteristics, as well as the cost of maintaining the individual in the program; and any other factor the commissioner of the RCMP may deem relevant.

Under the witness protection act there will be a clear decision making process to admit an individual into the program. In serious cases such as those requiring a change of identity or admission of a foreign applicant, the decision to admit an individual can only be made by the assistant commissioner in charge of the program. A decision to terminate protection must also be made by the assistant commissioner. In less serious cases the decision to admit an individual can be taken at the chief superintendent level. There are protections built into the legislation.

I am proud to say that more than any previous administration the government is committed to reducing violence in our society, specifically violence against women and crime motivated by hatred or bias against any of the vulnerable groups, particularly those which are listed in section 15 of the charter.

Violence is not a phenomenon that can be encompassed or dealt with in one big bold stroke. It is a complex problem with multiple causes and multiple effects. It touches all levels of society and all regions of the country. The whole program was worked out with all regions of the country, from the Atlantic to the Pacific to the Arctic, and that includes Quebec in the portrait. That is why the government is taking a comprehensive approach involving several federal departments.

### *Government Orders*

In the past year a whole series of measures have been tabled by ministers, reinforcing our commitment to address the problem of violence. As the solicitor general has said, the government has instituted many new measures to make our homes and our streets safer. Members will recall that in our red book, safe homes and safe streets was one of our major undertakings and a commitment which we have met with great sincerity and alacrity.

I mention a few measures which are extremely important to women: measures against criminal harassment, commonly called the anti-stalking law; the firearms control legislation; the reform of the sentencing process; and the reform of the Young Offenders Act.

[Translation]

These widely varying initiatives have one common goal: to reduce violence and crime in our society. That objective is set out clearly in the federal gender equality plan, moreover, prepared under the auspices of the commission on the status of women, reporting to me as secretary of state, and tabled early this summer. Cabinet has been solidly behind this undertaking.

The federal plan also calls for the Canadian government to undertake a comparative analysis by gender of all of these initiatives. A similar endorsement was given at the fourth international congress for women in Beijing. This comparative analysis by gender indicates how policies affect men and women differently. I must say that I see this as an eminently logical undertaking.

In some cases, these differences are central to policy and play a determinant role in its application. In others they have a minor impact and are only one of a series of factors that must be taken into consideration.

[English]

In the spirit of the federal plan for gender equality we must ensure that the specific needs of women who qualify are considered in the application of the RCMP sources and witness protection program. We have a tendency to think of the world of criminals and organized crime as a man's world, but that is not entirely true. Unfortunately hundreds of women are in contact with this violent world and many are dreaming of getting out of it, just like the men, if only they could do so safely.

• (1155)

These women could become vital sources of information for police and prosecutors. However they are vulnerable to fear, to intimidation and blackmail. They have to think not only about their own personal safety but in most cases they also have to be concerned with the protection of their children.

Women should know that under section 2 of the witness protection program act, protection may include relocation for themselves and their families, accommodation and change of identity, as well as counselling and financial support. The objective of the program is to ensure the safety and the security

*Government Orders*

of citizens, women and men, who assist police in their efforts to crack down on criminals. We all know this is a needed program and a needed access to information.

The program will help them to re-establish in a new location and will support them until they become self-sufficient if they fulfil the criteria I outlined earlier in my remarks.

All citizens who contribute to eradicating crime and violence from our society deserve our gratitude and support. We know that crime is on the decrease. Notwithstanding we will always have some individuals in society who will engage in abhorrent behaviour. We will always have those who will act outside the law in their selfish, personal interests. However initiatives such as this one will help to ensure society can be a caring, safe and just.

In some cases contributions that witnesses will bring to the court on very dangerous criminals call for extraordinary courage. We want those citizens who have demonstrated their concern for safety and security in the home, in the marketplace and on our streets to receive the best possible protection. No other program has been so comprehensive or so considerate of the needs of our citizenry. That is why I support the solicitor general's initiative.

I hope that all my colleagues in the House, particularly those who have been expressing their concerns on individual cases, will look at this collective undertaking, support it wholeheartedly and join in ensuring a speedy passage of Bill C-78.

**Mr. Geoff Regan (Halifax West, Lib.):** Madam Speaker, I am very pleased to speak today on Bill C-78 which is really about public safety. This must be very rewarding for my colleague from Scarborough West considering his diligence in bringing this vital matter to the government's attention. His efforts in this regard are certainly commendable.

The debate on private member's bill last spring and the previous fall showed great evidence of support on both sides of the House for the bill and for what he was trying to do. The debate on Bill C-206 demonstrated there is really a clear need for a legislated protection program for witnesses and sources in criminal cases.

It seems that demonstrated there was a clear desire by members of Parliament for such a program. One of the reasons for the desire and the need for the legislative program is that there have been some problems in the past. For example, at times there have been misunderstandings between the police and a witness or a source about what the agreement was between them, or what the roles of each was and what their responsibilities were. It is important that the bill clarify some of the rights, responsibilities and obligations on both sides in these matters.

In my view the solicitor general is to be commended for responding to an obvious need to bring about changes to the decade old program. Many people may not realize there is a witness protection program within the RCMP that has been active and operating for quite a few years. Also many programs are operated by municipal and provincial police forces across the country.

• (1200 )

The solicitor general is to be commended for responding to the obvious need to bring about changes to this decade old program. We see his response today in Bill C-78, which is now before us. The bill is really another plank in the government's efforts to deal with crime.

I will give some examples of how we have dealt with crime in various ways over the past couple of years. There have been amendments to the Young Offenders Act. I am looking forward to attending a forum in my area in Dartmouth next Thursday, where we will be discussing youth issues and issues related to the Young Offenders Act. It is being put on by CBC radio and I am looking forward to attending to discuss some of the issues arising out of past amendments and concerns of the public about the Young Offenders Act.

We have also had Bill C-45, which provided for reform of the corrections process and issues of conditional release. We all recognize that we had very speedy passage of the bill to provide for the use of DNA evidence in criminal proceedings.

All these things are planks in the efforts of the government to deal with crime. We are working steadily to fulfil our goal of ensuring that Canadians live in safe homes and safe streets.

Upon passage of Bill C-78 Canadians will have a witness protection program that will serve them well, because it will provide a legislated program that will operate more efficiently, more effectively, but will not cost taxpayers more money. I am sure that in my riding of Halifax West the taxpayers will be in favour of that part of the bill.

The whole area of witness protection is particularly important in places like Nova Scotia, as it is across the country. However in Nova Scotia the area where it will be most often used will be in drug enforcement. Our province is a key offloading area for drugs coming from South America, the Caribbean, and the eastern coast of the United States because of the fact that Nova Scotia is a peninsula with so much coastline and many little coves. This makes it picturesque and beautiful to visit, and I recommend that all members and Canadians who are interested should visit us and see our beautiful province. However it also provides an opportunity for drug smugglers to offload their product because it is difficult to detect them and difficult for the RCMP or other police forces to cover all those inlets and bays.

The witness protection program is also used in areas of crime, including homicides and prostitution, which are also of great concern. If we can help in those investigations and the prosecution of cases of that nature with the bill, it is certainly worth pursuing.

I checked with one of the local RCMP offices in my riding and I was told that the existing witness protection program had been used there about 25 times in the past 20 years. Obviously it is not used constantly, but it provides a very important tool for police in investigation and prosecution for criminal offences.

It seems to me that in the future those who must turn to the witness protection program, like the approximately 70 Canadians who did so last year, will benefit from a number of programs provided by the bill. I believe members would agree that all Canadians would benefit from the improvements.

In many respects we are talking about trying to fight organized crime. Yes, there other kinds of crime involved, individual crimes. We can readily see how the witness protection program can deal with problems of organized crime. With that kind of an organized group there is much more need for witness protection.

In that sense one of the best ways to fight organized crime is with information that sources and witnesses can provide if they do not feel they are at risk of being killed, injured or maimed if they give evidence or assist the police in some other way. The bill is important in all those respects.

• (1205)

Another key element of the bill will be a clearly defined admission process and criteria so that not just anybody can qualify under the program. It is very clear from the RCMP or other police forces that want to make use of the RCMP program what the rules are, what the procedures are, and who can be admitted and how. This is very important.

The RCMP has a responsibility after the bill becomes law to thoroughly examine the applicant's suitability for the program in a variety of ways. That means not only the potential contribution the applicant can make toward an investigation, but the RCMP will also look closely at the individual, at the risk involved to that individual, what might be the risk of danger or harm coming to him, the impact on the person or his or her family, as well as the ability of the individual to adjust to the program. I suppose that could be a problem in some cases, depending on the kind of individual being dealt with. All those factors are obviously important in determining who should be admitted to the program.

Interestingly the protection of witnesses and sources does not mean just relocation, as we assume, and change of identity. It also means counselling or other kinds of support. I turn to the bill for a moment to read to the House the definition of protection in Bill C-78:

#### *Government Orders*

"protection", in respect of a protectee, may include relocation, accommodation and change of identity as well as counselling and financial support for those or any other purposes in order to ensure the security of the protectee or to facilitate the protectee's re-establishment or becoming self-sufficient;

We see there are a variety of kinds of protection that can be provided and are necessary. Under the bill the RCMP is required to look at alternate methods of protection.

We talk about the kind of counselling support that a witness may need or a source may need and we think of prostitution involving children, for instance. While there is a basic need for protection in the sense of protection from violence of the child, there will probably be a need for counselling for a child who has been involved in prostitution and the violence and the intimidation associated with that activity.

We can all recognize how difficult and frightening it has to be for people to come forward who have been a witness or a source and have been involved in some way in a matter of this sort. It has to be terrifying, particularly if they are fearing for their lives and in some cases for their family or someone else who may be close to them. That is why the definition of witness in Bill C-78 includes those who might have evidence or will give evidence in the future, as well as those who might be at risk themselves, for instance their family.

The source witness protection program must, and with Bill C-78 it will, make it easier for people with information that may help investigations to come forward without fear for their own safety and the safety of their families. That to me is key. We are not only talking about the safety of their families, but by extension if we can get them to feel freer about coming forward and being witnesses or sources then it is the safety of all our families we are talking about here. The success of the program and of our crime fighting efforts in general depends on sources and witnesses and the information they can provide. Their safety is of paramount importance, which is why I am so pleased to support the bill.

The bill provides one important item that we do not have at the present and is needed. As we can see in the bill of the member for Scarborough West and the debate around that bill over the past year or so, we need consistency in how each case is dealt with. With the bill every case across the country will be dealt with in a consistent manner, which is a big improvement.

The bill will not replace other witness protection programs that exist across the country. I mentioned that provincial forces and municipal forces have their own programs. They will continue to operate. Those law enforcement agencies will continue to be able to participate in the RCMP source witness protection program, but they will now be able to do so with much more accountability and transparency in the process.

*Government Orders*

• (1210)

Another important area in the bill solves some potential problems in the present system in the area of accountability and transparency, which we need to have more of in this process. The bill makes the administration of the program much more transparent and accountable. It goes through the commissioner of the RCMP to the minister and to the House of Commons. It provides for clearer lines of authority within the RCMP structure. That makes unquestionably for a more efficient administration.

The commissioner is required to make an annual report on the operation of the program, a full report indicating what kinds of problems they face, what amounts have been paid out, the number of witnesses who have been protected in various ways, and so forth. He must make that report annually to the solicitor general. The solicitor general will then table the annual report before Parliament so that members of the House have the opportunity to scrutinize the report. Therefore it makes the whole system accountable to the House of Commons and through the House of Commons to the public.

The annual reporting requirement will mean that information will be available to members and the public on the cost and the number of people involved in the program. It will be much clearer. It is very important for both parties to the agreements where a witness is being protected that both the witness and the RCMP or other police force have a clear understanding of what the agreement and what the responsibilities and obligations of both parties to the agreement will be.

This will provide for transparency and accountability with regard to the responsibilities and obligations for both the applicants and the RCMP as administrators of the program. These protection agreements and the obligations of applicants and administrators to fulfil these agreements will provide further transparency and accountability to the program.

All these factors lead to public safety. All these factors are providing a greater feeling of security, a greater sense of safety in coming forward for the witness.

If persons have heard about other witnesses in the past who perhaps did not feel they were treated properly, did not feel that the police had lived up to their part of the bargain in protecting a person, they will obviously be less likely to come forward. However, if we can clarify the rules, if we can have clear agreements between the RCMP or another police force and the witness that provide for the rights and obligations of both and what is going to happen for them, we will not have people saying that they did not get treated properly by the police. They can go to the agreement itself and look at what is on paper.

It is kind of like good fences making good neighbours. A good agreement with clearly specified rules on who is to do what provides for a good relationship between the two sides. I think it will add to people feeling freer about coming forward to the system and providing their information.

To review some of the issues we have talked about how in the past criminals have successfully used fear and intimidation to scare witnesses to keep them away from the police so that they will not bring evidence forward. This program is very important, because individuals involved in organized crime will go to great lengths to try to ensure that a witness or a source will not come forward. As I said, it can be a terrifying experience. They can certainly sometimes threaten and exact violent retribution from the witnesses.

Enforcement agencies need the support and assistance of the public. We are talking here about the public in more than one way. We are talking about the individual who is a witness. In some cases when a witness is relocated he or she may require assistance from the public in that regard to find a new location. I am not sure exactly how that would work, but it may require it in some regard. To achieve success in bringing criminals to justice and to further investigations, the police do need that kind of information and they need people to come forward.

• (1215)

The legislation will cover agents who are involved in investigations, not only in the trials but throughout the whole process, which is why I was pleased to see the definitions I mentioned earlier. Not only is the person who has given evidence in the past covered, but so is a person who has agreed to give evidence or information in the future. In any case where because of taking part in some way in an inquiry, investigation or in the prosecution of an offence a person's security may be at risk, the person is covered by the legislation.

I talked about protection and how it can include relocation, accommodation, change of identity, counselling, financial support or any other requirement needed to ensure the security of the protectees as they are called, or to facilitate re-establishment or becoming self-sufficient in a new location with a new identity.

Let us think about a witness who has been totally innocent, has not been involved in crime at all, but happens to be a witness to a serious crime. I am reminded of the movie "Witness" in which a young boy was a witness to a crime and had to be protected. In a case where someone is totally innocent it must be a bewildering experience to be called upon to be a protected witness, fearing for one's life; having to change identity and home; and being away from family and friends. It has to be a very difficult and bewildering experience.

*Government Orders*

Interestingly the annual cost will not go up as a result of the program and if it goes down that is fine. It is an important program and will vary each year depending on how many people are being protected. The annual cost is \$3.4 million. There are no additional costs expected as a result of introducing the legislation. The average cost per case is \$30,000 but approximately 60 per cent of cases cost less than \$20,000. If that can bring people who are involved in organized crime or other serious crimes to justice then it is well worth the money. I am confident that all Canadians, and certainly those in my riding of Halifax West, would support that and would certainly support the intent of the bill.

The changes proposed in the witness protection program act will give the RCMP's source witness protection program a solid legislative and regulatory basis. This is lacking in the existing program. It is important that we provide it and therefore I urge members to support this important bill.

**Mr. Derek Lee (Scarborough—Rouge River, Lib.):** Mr. Speaker, I am very pleased to have a few moments to speak to Bill C-78, the source witness protection program bill.

There are two or three perspectives I will touch on. My colleagues have touched on most of the technical aspects of the bill and all parties in the House are apparently supporting it. Therefore there is nobody really nibbling at the corners. I am certainly not going to do that. It is a good bill, as has been recognized by colleagues.

There are two or three perspectives that should be brought out in discussion. I want first to pay some tribute to police officers across the country who over the past many years have informally provided protection for witnesses. They have done it in many ways, often not at taxpayers' expense.

This is something that has not been recognized very much in the history of law enforcement in Canada and North America. It was very real over the past decades when no public moneys were formally available to protect witnesses that police officers had to use their cars, their garages, their basements, freebies from the motel outside town, and all kinds of different devices to make sure the witness who was scared to death got a chance to get into the courtroom, give the evidence, get out and survive in the face of great risks. I pay tribute to all those policemen, many of whom were Mounties. This was not confined just to the federal police force but also to provincial and municipal forces across the country.

• (1220)

That history is not written; it is all unwritten. It is anecdotal now to the extent that these policemen and former policemen get a chance to talk about it. It is an unwritten part of our Canadian

criminal justice history. I wanted to note it here and pay tribute to the many who made the system work.

Starting in 1984 the Royal Canadian Mounted Police began a witness protection program that provided some kind of framework for witness protection albeit not recognized in statute. That was in the face of the growing threat from organized crime which developed post-war. Also as was mentioned earlier, there were threats from individuals who while they might not have been part of an organized crime group apparently were not prepared to stop at anything in trying to preclude their conviction.

There have been many bad stories in relation to that as part of our criminal justice history but there have also been many good stories. With the growth and public knowledge of the availability of a witness protection program in many parts of the world, there began to be some confusion about what a witness might be entitled to have: a free bus ride, a free taxi ride, a free room or some accommodation, money, protection and a new identity.

Over time the field became more and more confused. It was not so much on the part of the police, as they were simply doing their very best to deliver evidence to the courtroom door for the prosecutors. It was more so for the witnesses who from time to time and place to place became confused about exactly what the protection was composed of.

Some witnesses were more accommodating than others; some wanted more than others. It became more difficult for the police to manage. There might often be cases where when the process was over, the evidence had been given hopefully ending in a successful prosecution, witnesses felt they did not have the protection they thought they were to have. Maybe they made it difficult for the police involved. Maybe they went to the local newspaper, the local media. It became confusing and embarrassing for some. Something had to be done.

The first positive signs I saw in the House was the research and the bill produced by our colleague, the member for Scarborough West. That was quite a credible exercise. A private member's bill was passed in the House at second reading and referred to the justice committee. At about that time the Ministry of the Solicitor General indicated it would want to have a bill similar in nature. Our colleague essentially acquiesced and the solicitor general has presented the bill which apparently has support from all sides of the House.

The last perspective I want to address very briefly is that the bill will help us better manage the safe streets policy the Liberal Party has adopted. It will better manage the costs. The program will be codified. It will probably show up as a cost item in the estimates and the parliamentary authorizations as a specific category rather than being buried as it was in part previously.

*Government Orders*

The bill will help us better manage what we are doing in the safe streets policy. It will result in better prosecutions. The crown attorneys will know what the infrastructure will be for their witnesses if there has to be a witness protection program extension. It will result in better criminal procedure, a better understanding both on the part of witnesses and the people who manage the witness protection program of what they have to deliver.

• (1225)

It is a three-way street. We have the public that wants to see the benefits of a better managed system. We have the witnesses who need to know what they can expect, who will know what they have the right to ask for and require in terms of protection. It will assist the police better in knowing what the deliverables should be and what the deliverables are, both to the crown which is gathering the evidence and to the witness.

I congratulate both the solicitor general and the hon. member for Scarborough West for their contributions in this regard.

**The Deputy Speaker:** Before recognizing the hon. member for Scarborough West who has so much history with this issue, would the hon. member find it acceptable, as another member came out of a meeting to speak, to have the hon. member for Dartmouth speak first?

**Mr. Wappel:** Mr. Speaker, it would be my delight to hear what the hon. member for Dartmouth has to say.

**Mr. Ron MacDonald (Dartmouth, Lib.):** Mr. Speaker, I thank my colleague.

This is an important bill, particularly for the hon. member from Scarborough who so kindly gave up his spot for me to speak. I congratulate him on the work he has done in laying the groundwork for this type of legislation.

Many times in the past the legislative procedure and process of the House of Commons have given reason for the public and members of this place to be cynical and sceptical about what it is the backbench can do, what it is independent members can do with respect to setting the legislative agenda. I acknowledge up front the work the hon. member for Scarborough West has done in ensuring this important piece of legislation was put before the House.

It is quite rare for a private member's bill to be debated and actually get beyond the pro forma number of required hours once it is drawn and actually get passed. The fact that the hon. member for Scarborough West got the bill to second reading and caused it to come forward is not only a testament to the way Parliament can work. It is also a personal testament to how the member sticks to it. All members owe him a debt of gratitude.

There are very few times when a piece of government legislation comes forward which is supported by all sides of the House. It appears the legislation is supported by all sides of the House.

Perhaps the government and the House leadership on our side will take a close look and find, when legislation comes from the backbenches of either side of this place, that it is better legislation. They might want to free us up a bit more to do that type of job.

In the last number of years I have found that my opinions on justice, law and order have gone from what would have been considered to be a liberal left position to a more realistic, responsive position when it deals with some aspects of the criminal justice system. That has happened over the seven years I have been a member of Parliament because of my interaction with the criminal justice system on behalf of my constituents. I have viewed it from afar and have watched cases unfold. I have dealt with people who have been victims of crime. I have dealt with the law enforcement agencies and people in the judiciary.

• (1230)

As we start to understand that, when we deal with the criminal justice system, just as we have to be flexible in other areas of public policy such as social policy and fiscal matters, we have to be extremely flexible and reasonable when we deal with the criminal justice system.

The system must be responsive to the needs of the community. Clearly the area of witness protection is one of those areas where there was a responsibility, a requirement by government, to come forward and recognize we had to statutize programs that currently existed at the federal level with the RCMP.

I am concerned that sometimes we direct the limited resources we have for law enforcement into areas that simply are not able to deal with the problem in as effective a manner as is required. The area of witness protection has concerned me for a number of years. I will deal with the reasons for that.

In my area, which is not that dissimilar from most urban areas across Canada, there is a lot of urban crime. There are a lot of crimes specifically against children. The hon. member for Scarborough West has been on his feet in the House more times than any other member dealing with some of these issues.

In my riding we have had to suffer through a disproportionate number of our young children from 13 years old to 16 years old being drawn into prostitution. I claim no moral high ground in dealing with these issues, but I am a parent and I represent an area where there are many kids who have been plucked from their turbulent years in puberty and thrown into a world that can only be described as a world of terror. They are plucked out of their schools; they are taken from the downtowns, from the shopping malls, by people who can only be described as the worst criminals in Canadian society. They are pimps that befriend primarily young girls, draw them into a life of crime, of drug addiction and literally sexual slavery. At 14, 15 or 16 years old these children have lost their youth and have been violated in the worst possible ways.

*Government Orders*

However there has been a problem in the criminal justice system in dealing effectively with that situation. There has been a problem in the judiciary in applying the strictness of fines and of penalties the public demands and that should be applied. There has been a problem in the prosecution because it has been extremely difficult to offer the level of protection to those young girls, the victims of crime, but also the witnesses to crimes that happen to themselves and to others in that circumstance.

They come forward with the certainty that if they give testimony in a court of law against these monsters walking the streets one of two things will happen. Either the criminal justice system would deal with a conviction in such a light manner that 6 months or 12 months later the individual is back out on the street doing the same thing with young kids again, or there would be threats to the personal safety of the individual who came forward as a victim and a witness to the crime as well as threats to their families.

I relate something that happened about three years ago which marked me forever. It was late on a Friday afternoon. There were far too many calls to return and I was tired after a week up here. My secretary said I had to take a phone call.

It was a mother who was more than distraught. She was beaten by a system that could not respond to what she saw as her child's need, a mother despondent because she did not think she could help her child. Her 15-year old daughter had been lured into prostitution at the age of 13. At one point the daughter said she had made the break and she did not want to do that any more. Two days later a van showed up in front of her house with her pimps or the part of the international criminal element that deals with street prostitution of juveniles. They had their buddies and they parked outside.

Within two or three days the daughter told her mother she had to go back to Toronto, back on the street. The mother begged her and beseeched her not to do it. Her child had been raped, abused, beaten and threatened with death. She had seen some of her friends beaten close to death by this criminal element, these monsters, these pimps. Why would she go back to a life like that? She feared for her own personal safety and did not believe the criminal justice system could afford her the protection necessary to put those demons away.

• (1235)

Outside her own personal safety she went back to the street out of the fear for the safety of her family and knowing full well that she might be a statistic, and maybe she is today. I hope not. She did not want her mother to suddenly turn around one morning while she was by herself in her kitchen and be confronted by thugs who would beat and perhaps sexually assault her. That is why that child went back to the street.

About a year later the mother called me and said: "My daughter has called and she cannot stand any more. She has been beaten, tortured, sexually assaulted and she is getting out. She is in Niagara Falls and I want to bring her home. We have to get her out of there. She has broken away from her pimp and I cannot get anybody to help".

I thought of my 11-year old daughter and my God, I hope that if I am ever in a situation like that somebody would at least do their best to take my child out of that danger.

It took a lot of phone calls, a lot more than it should have taken, before I could get somebody to act. The child was turning 16 on a Monday of a long weekend and the law enforcement agency said: "We can bring her back but what do we do with her? Where do we put her? These people will be back. Is she prepared to testify? If she is not, what do we do with her?" I spent until 11 p.m. that night trying to find a safe haven for that victim of crime and potential witness against the perpetrators of the crime.

The bill begins to address some of the real issues facing law enforcement agencies, the judicial system and certainly facing the victims of crime and individuals who can come forward and give testimony in a court of law, knowing full well that if they do there are resources and programs available by statute that will assist in their protection and that of their families.

Every year we spend a lot of money to put somebody in jail. We spend a lot of money when we have to send law enforcement agencies and police officers to pursue criminals. We must put money into a program that will say to witnesses that if they come forward and tell their stories, we will do our very best in a very regulated statutory fashion with a program that has financing to protect them and their families against intimidation or, God forbid, physical violence or even death.

In my riding a young lady involved in prostitution broke away and wanted to stop. She wanted the people who had stolen her life to be dealt with by the criminal justice system. She was to give evidence against a gang of criminals operating right across Canada and in the northeastern U.S. She was to testify. A strong message to all those other victims of that type of crime was sent when she was found murdered before the testimony could be given. The individual she was to testify against is currently awaiting trial on murder charges.

I wish that were the only case I could relate. There are more cases in which young girls or women who have decided to get out of prostitution and turn evidence have had to live a life from one hell to another, a life on the run, not knowing when a car stops in front of them whether somebody will put a bullet in their head. That is reality street in a town of only 65,000 people. It is happening in Toronto, in Scarborough, in western Canada and in small town Canada.

*Government Orders*

The bill starts down the right road. It does the right things. It tells us there is a program and there will be rules to the program. The program will have a dollar allocation. Currently the RCMP deals with that in its own programs because it has the budget.

• (1240)

This is the type of legislation the Canadian public wants. It wants to give the necessary resources to government agencies and to the criminal justice system for it to work. They want the resources to be targeted in a way that we alleviate as much as we can the criminal element from our streets while at the same time give protection and statutized, regularized program protection to those willing to come forward and confront elements in our society truly from the dark side of humanity.

I speak for the victims of crime who are potential witnesses to their victimization. I encourage the government and all members to continue to work, like the member for Scarborough West has worked, to identify to government and Parliament the types of programs through which we can come together and ensure the limited resources of government can be directed toward law enforcement and the criminal justice system. They should be directed in a fashion that allows us to attain the goal of safer streets and that those willing to participate to help us have safer streets are afforded the protection required.

**Mr. Tom Wappel (Scarborough West, Lib.):** Mr. Speaker, I knew my decision to yield the floor to my hon. friend from Dartmouth would be the correct one. His speech was peppered with his usual enthusiasm, a very interesting case study of why we need the program. I also thank all the speakers on the bill who mentioned my name in a positive light today. It is such a refreshing change and I really appreciate it.

I will talk about the history of witness protection and how I developed an interest in the subject to let Canadians know a bit about the need for a legislated witness protection program.

About three years ago when I was the official opposition critic for the solicitor general a gentleman came into my office. He was fearful, nervous, literally looking over his shoulder in apprehension. He was also very frustrated. He was a witness and an informant to a serious crime. He had in his view co-operated with the Royal Canadian Mounted Police in an investigation. In his opinion he had been offered certain protection and certain financial incentives which would help him to relocate and get away from the wrath of those he had reported to the authorities.

Unfortunately because nothing was in writing or because there was no real mechanism provided, there was a dispute about what had been agreed on and how long the protection would be afforded. Suffice it to say he felt abandoned. He felt adrift. He felt at the mercy of those he had informed on.

It was a courageous thing for him to do. These were vicious people. He feared for his family, his wife and children, not just for himself; perhaps more for his wife and family than for himself.

I could see why he was in fear but why was he frustrated? He had gone to the RCMP and did not seem to get any redress there. He had gone to his local police department and did not get redress there. He had gone to the Ontario Provincial Police and did not get redress there. He went to his local member of Parliament. His local member of Parliament was unable to help, not because his local member of Parliament did not want to help but because we were now entering into the nether world of witness protection in Canada.

• (1245)

He went to the minister of the day who along with his officials begrudgingly admitted there was such a program but they were not about to talk about it. They were not about to discuss it. They were not about to give details and they certainly were not about to talk about his case.

In desperation he came to me, the official opposition critic for the solicitor general. That piqued my interest in the subject and I began to investigate. I found that since 1970 a federal witness protection program has been run by the U.S. marshall service in the United States. Prosecutors in the United States have said that the program was one of the most effective assets they utilized in law enforcement.

The population of the United States of America probably approaches 300 million people now. That U.S. witness protection program currently protects approximately 500 witnesses per year, which is not a very large number of witnesses considering the size of the population.

That says it is used in extreme circumstances for extreme cases. In a way that is good because there is only so much money. Generally speaking it has a fairly good success rate in solving crimes except the most dastardly kinds of crimes, the ones where people do not think twice about snuffing out a life in order that the person not be a witness in a proceeding against them.

I am talking about drug related offences. I am talking about organized crime. I am talking about gang warfare. The last thing those people are worried about is the value of a single human life. It is simply a matter of money. Nowadays one can get somebody to kill another for virtually a song. What a sad commentary in general on society.

*Government Orders*

I began to work on a witness protection bill for Canada because what I found out about this nether world of witness protection was that first, no one would talk about it. Hardly anyone would acknowledge that it existed and there was no legislative base for it.

As a lawyer, this concerned me. How can the law enforcement agencies give a person a new passport? How can they give someone a new social insurance number? How can they give someone new background documents and resumes of work that never existed to get the person back into the workforce with no legal basis to do so? It worried me that our law enforcement agencies with the best of motives to protect witnesses might be doing something contrary to the law by issuing these kinds of papers and these kinds of new identities without a legislative base.

I felt they needed this legislative base. I discussed this with the solicitor general of the day. Thousands of people across Canada presented petitions to the government of the day asking that a national witness protection program be brought forward. In a response to one of those petitions, the Hon. Doug Lewis, the minister at that time had this to say:

Witness protection is indeed a very important function of law enforcement and, equally, a crucial service to witnesses who are at risk of retribution as a result of giving testimony in court.

It is accurate to say that, presently, there is not a national, legislated program as exists in the United States, for example. My officials are currently examining the state of witness protection in Canada, which necessitates consideration of the witness protection requirements of not only the law enforcement community, but also the witnesses themselves. Also, integral to this process is a review of the efficacy of the legislated program and its application in Canada.

Bearing in mind the complexity of this issue, a thorough review is required before a decision can be reached on the best possible witness protection program for Canadians.

Rest assured that your views, particularly your request for a legislated program, are being given serious consideration and I would like to thank the petitioners for expressing their views on this matter.

That was a very nice response but I was getting the same feeling as John Doe who had come into my office of being pushed from pillar to post, study after study. Yes, there is no legislative program. Yes, it is a good idea. Yes, we need it, but we have to study it.

• (1250)

What changed? There was an election and with the election the appointment of a new solicitor general, the hon. member for Windsor West. Very shortly after becoming Solicitor General of Canada, among the various other initiatives that he came up with, the solicitor general recognized the merit and the need for a legislated witness protection program which would be offered nationally.

In consultation with his officials, he very kindly sat down with me and discussed my bill and the work that I had done up to that point. Of course the solicitor general has more resources than an ordinary member of Parliament. He did everything that was required of him. He talked to the U.S. marshall service, found out about the flaws and the pitfalls of the program. He talked to the various solicitors general of the provinces to see how the program could be most effective in a federal system where we pass the criminal laws, but they are enforced by the provinces.

He did not drag his feet. After having done the work and keeping me informed at all times so that I was convinced that the work was proceeding, he brought forward the legislation, Bill C-78.

In my judgment the bill is historic from a number of perspectives. Not only will it go a long way in protecting witnesses and informants in the future but it will help solve crimes.

Between 1980 and 1992 there have been 1,455 unsolved murders in the country. That is an incredible statistic. Never mind 1,455 murders, but 1,455 unsolved murders. No doubt there are people out there who know who was the perpetrator in many of these murders but they fear for their lives or they fear for their families' lives. They fear to come forward because they have no way of knowing they will be protected. Because of the nether world, the shadowy world of witness protection before the bill, people were not aware of it. They did not know whom to approach.

Did the House know that right now there are approximately 15 police forces across the country that offer witness protection; the RCMP, the OPP, the metropolitan Toronto police, some other police forces? Each has its own program with different rules, different standards, different budgets.

What good is it to a person who witnesses a murder, shall we say in Sudbury, if the metropolitan Toronto police has a witness protection program? That budget is for the residents of that city. What good is it in Calgary if the OPP has a witness protection program?

The key is that it has to be a national program because our criminal law is national. We have a national police force, the Royal Canadian Mounted Police, which has a presence in every province and territory. It has a witness protection program so it is only logical that it administer a national witness protection program and the bill provides precisely for that.

It provides that those other police forces or any police force can contract through the RCMP to provide protection for witnesses in investigations that it is conducting. This is good financially as well because those police forces can budget for witness protection. They can pay the RCMP for the services it will be giving, but then they will have the expertise and uniformity that the RCMP will offer under the bill.

*Government Orders*

To me that is a very positive thing. I believe we will be able to solve crimes when we are able to offer proper legislated witness protection to people across Canada.

• (1255)

Goodness knows, there are enough crimes that need solving. Hopefully we will get people to come forward and offer their evidence in exchange for being protected from those very vile people in society who do not care about snuffing out people's lives.

The hon. member for Dartmouth used a descriptive term for these people. He called them demons. In order for us to exorcise our demons from society, our criminal demons, this will be one of the excellent tools we can use in that regard.

The bill is deceptively short considering what it is going to do. It only has 24 relatively short paragraphs. Perhaps we lose sight of the fact that sometimes shorter is better. It is deceptively short yet not lacking in anything.

When I drafted Bill C-206 I spent a lot of time thinking about all the different angles. I thought I had them all covered. I was very gratified when the House unanimously approved it at second reading. However, as is probably most often the case, the bureaucrats examined the bill and found certain things that were not in it and put them into a recommendation to the solicitor general. He, to his credit, accepted those recommendations. Bill C-78 is an improvement on my Bill C-206 and covers ground that is not covered in my bill.

One other thing I want to mention is the use to which the witness protection program has been put. For example, in 1986 approximately \$500,000 a year was being spent by the RCMP on witness protection in all of Canada. In 1993 that amount has ballooned to \$3,800,000. This is money well spent because it is money used for solving crimes perpetrated in Canada, crimes that might otherwise go unsolved. That demonstrates to me the efficacy of a national witness protection program and the need for Bill C-78.

One thing that was lacking before was openness, light shining on the witness protection program, publicity about the witness protection program. The program has been ongoing for quite some time. I am very pleased to note in clause 16 of Bill C-78 something that was not contained in my private member's bill but is very important, an annual report.

The commissioner of the RCMP, who will be in charge of the legislated national witness program, will file a report with the minister. That in itself is very important, as the minister will be apprised of what is going on with witness protection, how much it is costing, how many witnesses there are and its success rate in solving crimes.

The minister has gone further because not only will he receive the report but the clause provides that the minister shall—not may, not think about, but shall—cause a copy of the report to be laid before the House of Commons. We in the House of Commons and the people of Canada whom we represent will have an opportunity on a yearly basis to hear about the witness protection program and thereby publicize it, to examine how much is being spent on it, to know how many people are being protected by it and to understand how many crimes are being solved by the use of the witness protection program as a tool of law enforcement.

To me this is important because it will publicize the program. It will give people an opportunity to come forward and say they saw something, know something or heard something and say they will come forward if they have protection in the circumstances. It will be for the commissioner to decide whether or not in the circumstances of the particular case witness protection should be afforded. That is as it should be because it is a tool for law enforcement to use for the protection of witnesses who will help to solve crimes.

• (1300)

All in all, Bill C-78 is an excellent bill. I am delighted to support it. I am delighted that it apparently has all-party support. That indicates to me that it will receive quick passage through the House of Commons so we can get on with the legislated witness protection program, get on with publicizing it, get on with solving crimes and get on with trying to find the perpetrators of the 1,455 unsolved murders between 1980 and 1992.

There are a couple of areas in the bill on which I would like some clarification. Hopefully these will be clarified by the officials in their appearance before the committee when the bill is studied at committee.

I draw specific attention to a lack of a provision to authorize emergency steps. For example, if the commissioner believes that there is some urgent need to protect someone to get them out of harm's way before the technicalities of the bill kick in, it would seem that there should be some sort of mechanism specifically provided in the bill for that purpose.

The bill will help Canadians. It will protect Canadians. It will help solve crimes. That is fairly obvious because of the all-party support the bill is receiving. Members on all sides of the House of all different political persuasions and of all types of views on justice issues recognize that witnesses and informants need to be protected if we are to help solve and fight crime.

It is refreshing to see that there is such unanimity on such an issue in the House. Canadians can feel reassured that the House of Commons cares about them, cares about their personal safety, cares about the fact that crime exists and must be controlled and eradicated, and cares about the fact that witnesses and people who come forward to help in the enforcement of the law will be

*Government Orders*

protected by society in a legislated way, in an open way, not in some quiet and shadowy backroom without possibility of appeal, without possibility of redress in the event that there is some misunderstanding.

By the way, that is another good point. There will be written reasons given by the commissioner if people are turned down so they are not left out there with their heads spinning, unable to comprehend why the system did not protect them.

I support the bill. I am very grateful the House supports the bill. I am grateful to the minister for bringing it forward. As I began, I am grateful for all the kind comments that have been made about me by members of the House.

[*Translation*]

**Mrs. Anna Terrana (Vancouver East, Lib.):** Mr. Speaker, first I want to thank RCMP officers for the consistently good work they do for Canadians. I am satisfied that they will continue to have operational control over this program.

The protection of witnesses is one of the most useful and efficient tools to fight crime. In order to be effective, witness protection programs must provide the best possible protection to likely sources and witnesses. This is precisely what the Witness Protection Program Act seeks to do.

The proposed changes to the legislation will allow sources and witnesses participating in the program to fully understand the terms and conditions under which they will be protected. As well, the decisions and the measures taken by the authority responsible for the program, namely the RCMP, will be more transparent. This will result in a more transparent and efficient operation of the program, while also contributing to the government's efforts to implement the act and thus stop crime, particularly organized crime.

• (1305)

The proposed changes in the Witness Protection Program Act will provide sound statutory and regulatory authority to the RCMP program by establishing a federally legislated witness protection program.

The new legislation will provide the following: clearly defined eligibility criteria for witnesses; identical treatment all across the country; a clear statement on the responsibilities and obligations of program officials and participants; a better defined management structure within the RCMP regarding the daily operation of the programs, so as to strengthen accountability; a complaint settlement process as well as the presentation, by the RCMP commissioner, of an annual report to the solicitor general on the operation of the program.

The RCMP source witness protection program was established in 1984 to meet the specific needs of that police force regarding the protection of sources and witnesses. Other witness

protection programs are run by a number of provinces and municipalities.

Police departments using these programs also rely on the RCMP source witness protection program, under a cost recovery system, and this will continue to be the case. The RCMP helps other protection programs by obtaining I.D. documents delivered by the federal government—including passports and social insurance cards—when a name change is necessary, or by facilitating the relocation of witnesses in another province.

During the 1994–95 fiscal year, the RCMP was able, through its source witness protection program, to provide protection services to 70 new clients. In 30 of these cases, the services were provided at the request of other organizations. The RCMP currently allocates \$3.4 million annually to witness protection activities.

The changes made to the RCMP source witness protection program will not result in additional spending. The program will continue to be financed with current resources.

The provinces and territories were consulted and they support the proposed changes in the Witness Protection Program Act.

When a decision is made to admit an applicant to the RCMP's source witness protection program, the following factors will be taken into consideration: the potential contribution that the witness or source can make toward a particular police investigation, the nature of the offence under investigation, the nature of the risk to the individual, what alternate methods of protection are available, the danger to the community if the individual is admitted to the program, the potential effects on any family arrangements, the likelihood of the individual being able to adjust, their maturity, their ability to make judgments and other personal characteristics, the cost of maintaining the individual in the program and other factors as the commissioner of the RCMP may find to be relevant.

Under the Witness Protection Program Act, there will be a clear and defined decision making process to admit an individual into the program. In serious cases, such as those requiring a change of identity or admission of a foreign national, the decision to admit an individual will be made only by the assistant commissioner in charge of the program. A decision to terminate protection must also be made by the assistant commissioner.

In less serious cases, the decision to protect an individual may be made by someone at the chief superintendent level.

Finally, the changes introduced in the Witness Protection Program Act were drafted following consultations with the RCMP and various police forces across the country who were asked to contribute their views. These changes will help make the RCMP's source witness protection program more open.

*Government Orders*

I am very pleased that the House has agreed to support this important bill, and I hope it will be passed very shortly.

• (1310)

**The Deputy Speaker:** Is the House ready for the question.

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

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

\* \* \*

[English]

**EXPLOSIVES ACT**

The House proceeded to the consideration of Bill C-71, an act to amend the Explosives Act, as reported (without amendment) from the committee.

**Hon. Ralph E. Goodale (for the Minister of Natural Resources)** moved that the bill be concurred in.

(Motion agreed to.)

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

**Some hon. members:** Agreed.

**Mr. Goodale (for the Minister of Natural Resources)** moved that the bill be read the third time and passed.

**Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.):** Mr. Speaker, I rise today in support of Bill C-71, an act to amend the Explosives Act. Today I will address some of the concerns members opposite have raised during the second reading debate and I will emphasize the major points government members raised during that debate.

Let me begin by thanking members opposite for expressing support from their respective parties for Bill C-71 during the debate on second reading of the proposed legislation.

I note from *Hansard* that during the debate the hon. member for Matapédia—Matane asked what is the use of marking explosives if we do not monitor them. My response is that we do. Canada's explosives inspectors are doing an excellent job of monitoring legally licensed makers, distributors and users of explosives in the country.

There are concerns about how terrorists and biker gangs get their explosives. Terrorists typically purchase stolen explosives on the black market, or they make their own if they have the expertise, as was the case in the horrific bombing of the Oklahoma City federal building this summer.

Sources for stolen explosives include explosives obtained from break-ins and thefts from storage magazines on construction sites, in mines and quarries. Naturally these incidents fall within the jurisdiction of Canada's police agencies. In any case I submit to the House that it is not a common occurrence in the country. The mere fact that it can happen does not require a maze of restrictive and unnecessary regulations from any government, least of all the Government of Canada.

Furthermore, explosives that are used or intended for use in criminal activities are never purchased from legitimate vendors licensed under the terms of existing federal explosives legislation. That is because legitimate vendors must keep accurate and complete transaction records for all explosives they sell. These records, coupled with the records of police security checks that are required under the terms of the existing Explosives Act, could easily provide a clear paper trail of evidence to anyone who used legally obtained explosives to commit a crime.

Let me return to the issues that are more closely related to the proposed legislation before the House. With respect to the length of time it has taken to submit the amendment to Parliament, I want to make a few points.

Officials at Natural Resources Canada have indicated to me that shortly before the Montreal convention on the marking of plastic explosives was signed in 1991 they joined their colleagues from national defence, customs, and transport to prepare a memorandum to cabinet regarding the proposed amendments to the Explosives Act. As members of the House may recall, there were significant changes in the structure of federal government departments in mid-1993. Shortly thereafter a federal election was held, resulting in even more significant change. Since then the Government of Canada has been working hard to put Canada on a positive new course for the future, to revitalize employment opportunities for all Canadians, to attack major issues such as the deficit and debt and, in short, to get Canada moving again. The government is delivering the good government that Canadians wanted and deserved. In addition we are making excellent progress to reach a number of positive public policy objectives.

• (1315)

Hon. members will know we have faced tremendous challenges to deliver on our promises to Canadians and that the Government of Canada has worked hard to manage our priorities since 1993 in order to succeed. I hardly think this debate is the appropriate forum to trot out the list of our accomplishments but if members opposite wish me to do so I will be more than happy to.

Departmental officials had to review their work to prepare their memorandum to cabinet concerning the amendments to the Explosives Act we have before us today. Consequently the officials made the necessary revisions to meet the demands of a new government. The officials have done an excellent job.

The 1991 convention signed in Montreal represents an international agreement to combine efforts among nations to reduce the risk of any further aircraft bombings. Participation in this effort is viewed by Canada as an essential element in the continuing battle against terrorism.

Like all international agreements, the convention on marking of plastic explosives is based on trust among signatory nations. Canada respects this spirit. Canada is known around the world as a leader in encouraging progress to increase the trust among nations that leads to progressive international conventions.

We have every intention of living up to all of our international obligations in the hopes that other countries will follow our example. This is not a blind trust; this is the essence of good leadership.

At present there is no way to detect plastic explosives in airports, while conventional explosives materials can be detected by equipment at our airports. The act proposes the marking of plastic explosives by adding a chemical which would be detected by equipment in Canada's international airports and thus ward off the threat of terrorism.

The amendment would allow Canada to be among the first nations to ratify an international convention requested by the United Nations and co-ordinated by the international civil aviation organization with respect to the marking of plastic explosives.

The convention was signed in March 1991 by 40 countries, and 14 countries have already ratified the convention since April 1992. Five of these nations, Norway, Spain, Switzerland, Slovakia and the Czech Republic, are producer states where plastic explosives are manufactured.

Given that Canada is a world leader in vapour detection technology, Canadian equipment manufacturers will be able to take advantage of international market opportunities for their vapour detection technology as more and more countries ratify the convention.

### *Government Orders*

Plastic explosives have emerged as a weapon of choice among terrorist groups for bombing aircraft and other targets such as public buildings because this type of explosive is small, powerful, stable, malleable and, most important, difficult to detect.

If plastic explosives are marked or tagged with a substance that can be detected by equipment at Canadian airports, it is quite likely that terrorists would be discouraged from attempting any attacks in Canada using plastic explosives.

The convention on the marking of plastic explosives requires states to ensure the marking of plastic explosives to enhance their detectability. The convention also requires controls over the import, export, possession and transfer of marked plastic explosives and the destruction of most unmarked plastic explosives.

Let me remind the House about the main features of the convention. Only plastic explosives as defined in the convention are required to be marked. Existing unmarked commercial stocks of plastic explosives are to be destroyed within three years. An international explosives technical commission will be created to assess technical developments.

The cost of Canadian participation in such a commission will be low and the convention will come in force after 35 states including the 5 producer states have ratified it. Canada is one of the world's producer states and by passing the proposed legislation before the House today Canada will be among the first countries to ratify the important convention.

Looking at other departments, the military has agreed it can except perhaps in times of emergency observe all of the terms of the convention. Priority will be given to the use of unmarked stocks of plastic explosives in the military stock of explosives materials. As always, tight security of storage facilities will be maintained. In addition, tight accounting procedures regarding the use of all stocks will also be maintained.

• (1320)

Transport Canada, responsible for the operation of detection equipment at Canadian airports, has indicated current technology can detect the marked plastic explosives.

The extra cost of producing detectable plastic explosives is expected to be negligible. This is primarily due to the relatively low volumes of plastic explosives manufactured in Canada. The industry has been working in co-operation with organizations involved in the effort to develop substances to mark plastic explosives for the purpose of detection. Therefore the industry acknowledges the impact of extra costs will not be that serious.

In addition, given the low volumes of plastic explosives compared with the volumes of conventional industrial explosives, the challenge of enforcing the provisions of this proposed amendment and by extension the international convention will

*Government Orders*

not pose a significant problem or cost to the respective regulatory bodies.

Canada's position as a leader in the development of vapour detection technology will be enhanced as a result of the ratification of the international convention. Increased foreign market penetration by Canadian equipment manufacturers is virtually a certainty. Therefore the proclamation of the amendment has the potential to help stimulate job creation and contribute to Canada's future economic growth and trade.

The amendment to the Explosives Act demonstrates the Government of Canada's commitment to good government. We are determined to contribute to the health and safety of passengers on aircraft. We are committed to working with our international partners to do whatever we can to stop the threat of terrorism in our skies and around the globe.

The amendment to the Explosives Act will send a signal to terrorists everywhere that Canada will not be an easy target for their deadly campaigns of violence. In the process, Canadian manufacturers of vapour detection equipment will be able to take advantage of significant marketing opportunities. As a result, the proposed amendment to the Explosives Act will contribute to two major federal goals: job creation and Canadian economic growth. Moreover the passage of the amendment will protect the health and safety of all Canadians.

I thank members opposite for their support in passing important legislation. I urge all members of the House to give speedy passage to the amendment.

[*Translation*]

**Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ):** Mr. Speaker, I am delighted to rise today to speak as well on Bill C-71, an act to amend the Explosives Act. There is of course already an Explosives Act, which this bill will amend, and the aim of the earlier legislation was, as a general rule, to ensure public and worker safety.

This legislation governed the composition, quality and characteristics of standard explosives as well as their manufacture, import, sale, purchase, possession and storage. It covered pyrotechnic devices, that is, the products used for fireworks.

The new legislation brought before us today will require the incorporation of a detectable additive in plastic explosives to enable the governor in council to approve regulations on the possession, transfer and destruction of unmarked plastic explosives. The aim is to thwart terrorism, as my colleague mentioned, and to enable Canada to ratify the Convention on the Marking of Plastic Explosives for the Purpose of Detection, concluded in Montreal on March 1, 1991.

The bill would also prohibit, among other things, the manufacture, stockpiling, possession, transfer, transport, import and export of unmarked plastic explosives, except in the instances provided by the convention and for military purposes of vital importance clearly specified in the legislation.

What is the Montreal Convention? I am asking the question for the benefit of Canadians watching us. The convention was signed in March 1991 at the headquarters of the International Civil Aviation Organization by the members of this organization. Its aim is to control the proliferation of plastic explosives used in terrorist attacks.

It covers unmarked plastic explosives, that is, explosives that do not contain a substance permitting easy detection and it requires signatory countries and producing countries, such as Canada, to mark plastic explosives, except those used for research purposes or by the police and the military.

• (1325)

The bill proposes marking plastic explosives through the incorporation of a chemical that could be picked up by the detection equipment installed at international airports in Canada to counteract the threat of terrorism.

Generally speaking, Bill C-71 meets the main requirements of the Convention. It appears to meet all of the obligations in it. First, the bill prohibits the production of unmarked plastic explosives, except in the instances provided. Then it announces regulations governing the transportation and possession of unmarked plastic explosives. Finally, it provides measures for unmarked plastic explosives produced or owned prior to the date the present bill comes into effect, as my colleague stated just before me.

Clearly, plastic explosives are the preferred weapon of terrorists, for the very reason that they are hard to detect. One need only think of recent terrorist incidents mentioned previously by my colleagues and remembered by many, such as the one involving Pan Am flight 103 from London, which exploded over Lockerbie, Scotland, a few years ago, or UTA flight 772, that crashed in Africa not too long ago. More than 440 people were killed in these two incidents. One might also think of the Air-India tragedy, another terrorist attack where a 747 that had taken off in Canada blew up over the Atlantic, south of the Republic of Ireland, killing everyone on board.

We must make sure that plastic explosives can be detected in airports. That is what this bill is about. Of course, the Bloc Québécois reaffirms its support. Especially since, based on information we received, production costs for the manufacturers, most of them private enterprises, will increase only marginally as a result of this decision.

However, we nonetheless have some concerns about this bill. First, while the convention was signed on March 1, 1991, no bill was introduced until now, nearly five years later. This obviously

reflects a glaring lack of efficiency on the part of the government in an area directly related to public safety. It took less time to set up a unity Canada group. I think this is indicative of a glaring lack of efficiency that should be pointed out.

Of course, the goal in itself is commendable and we support it but how effective will the bill really be? First of all, not all countries signed the convention or belong to the International Civil Aviation Organization. This means that terrorists will still be able to obtain explosives in non member countries where plastic explosives will remain unmarked.

We put a question to our hon. colleague who said that, as far as terrorist groups were concerned, Canada could not say who did or did not sell explosives to them. We stress the fact that the federal government is not clear, as our colleague just indicated, that explosives are obtained in part on the black market. We did not need to be told that. We already knew that this was the case. We also knew that some of them are home made. But who on the black market supplies terrorists? Who are the people operating this black market? These questions remain unanswered.

In many regards, Canada is like a sieve for contraband goods. I am thinking about drugs in particular. It is well known that, in a way, Canada is the North American entry point for drugs and certainly for part of the weapons smuggled into the continent. It is a fact that certain groups are currently using this channel and that, in many cases, they are more heavily armed than the police and even the Canadian armed forces.

• (1330)

One wonders what specific measures will be taken in this bill to counteract such effects. Canada has problems controlling liquor and tobacco smuggling. It is therefore extremely difficult to imagine that a bill such as this one, in spite of all its positive measures, will effectively prevent the smuggling of explosives.

Explosives manufactured for military purposes are totally exempt from marking requirements, and we can understand that. Obviously, military people do not want to make their arms easy to detect; that would make no sense. Nevertheless, there is the possibility of leaks.

One can also think of the motorcycle gang war currently going in the Montreal region, another reason to be cautious in this regard. In recent months, there have been numerous victims, mostly gang members, but also innocent people.

Incidentally, I want to thank a group, the Oir Rachaim Tasher Yesheva Jewish congregation, in Boisbriand, for immediately coming to the help of injured persons during one incident. The compassion and the support shown by that community deserve to be mentioned.

As regards the gang war, I also want to stress the work of the hon. member for Hochelaga—Maisonneuve who helped start a

### *Government Orders*

petition in his riding, asking for anti-gang legislation, and who organized, for the benefit of many Montreal area MPs meetings with police officers of the city, including Mr. Sangollo, who is the assistant to the chief of police, Mr. Duchesneau. These officers gave us an idea of who these motorcycle gangs are and what is organized crime.

We were clearly told about the need for anti-gang legislation. The House should seriously consider such legislation. I am well aware that this would not be easy, since we would have to specifically define what constitutes a criminal gang.

That is not an easy thing to do. We must, of course, take the charter of rights and freedoms into account, but I think we must eventually find or come as close as possible to finding the exact words we need to counter the real damage done by these gangs. When I talk about these gangs, I am talking not only about criminal bikers but also about the mafia, the Chinese triads, the Japanese yakuza and the Russian mafia that is now spreading to all industrialized countries and especially to Canada since the collapse of the Soviet Union.

I think that this bill as it now stands certainly deserves to be supported because it is a step in the right direction, but I think it is not nearly enough, under the circumstances, to restore the feeling of safety that Canadians may have lost or are now losing.

I would like to close by repeating a few words that my colleague from Matapédia—Matane said in his first speech on this bill, because they are words of wisdom. My colleague said this: "You can mark the explosives you make as much as you want, but unless you take real measures against violence, organized gangs and terrorism, you are simply wasting your time".

[English]

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, it is a pleasure today to rise in the House to address third reading debate on Bill C-71, an act to amend the Explosives Act.

I am happy to inform the House that my party is supporting Bill C-71. I will not go on at great length to discuss the bill because of that support. It is good to see legislation come forward in the House which is required and which we can support because so often legislation has been flawed.

My one criticism of the business of the House has been that we have had to deal with a lot of rather inconsequential legislation. While Bill C-71 is important, all members of the House would have passed the bill rather quickly. It has not received much obstruction. It seems odd that we are spending so much time on these bills of little consequence when there are issues like the national debt and deficit to deal with. UI reform is needed. Health care reform is needed. Those areas are being ignored by the government.

*Government Orders*

• (1335)

I notice the minister of agriculture is present in the House. Certainly there are agriculture issues which need to be brought to the front burner. We encourage members on the opposite side of the House to bring forward those very pressing issues.

Yes, we will give support to the common sense bills brought before the House like Bill C-71, but let us see a little more substance. Let us see a little more meat to deal with.

The bill to amend the Explosives Act will allow Canada to formally participate in an international convention on the marking of plastic explosives for the purpose of detection, a very worthwhile cause. The purpose of the convention is to make sure that as many plastic explosives in the world as possible are able to be detected by legal authorities mostly in airports to stop terrorism.

We all use airports, except perhaps the members from Ottawa who I am sure stay home all the time. We recognize the importance of safety and the importance of being able to detect explosives so that our air traffic continues to be safe. It is an anti-terrorism bill. Therefore I can give my hearty endorsement to the piece of legislation.

After the Air India tragedy and the PanAm bombing over Lockerbie, Scotland in the late 1980s, the United Nations passed two separate resolutions both in 1989. One was passed by the security council and the other by the general assembly. These resolutions urged the International Civil Aviation Organization, another U.N. body to intensify its work on an international regime for the marking of plastic explosives for the purpose of detection.

Out of those resolutions was born the convention I have already mentioned. It was put forward in Montreal in 1991 and was signed by 100 nations. Although Canada signed as well it did not have the legal authority to ratify it. The bill will grant Canada the ability to formally ratify the convention, another reason to endorse the legislation.

For the last four years research has been ongoing to consult with the industry and develop an appropriate chemical marker. It has been developed in labs in New Jersey. Now is the time to move forward.

Unfortunately the convention will not take effect until 35 nations become signatories, 5 of them producer nations. Five nations which produce plastic explosives need to sign this agreement. I understand that five producer countries have signed, among them Slovakia, Switzerland, Norway, the Czech Republic and Spain. Canada will be the sixth producer country to sign. This still means that only 13 countries including Canada will have legally ratified the convention. That is a long way from the 35 that are needed to actually put the wishes of the convention into reality.

I agree that the ordinary terrorist without international connections will be harder pressed to obtain material that will escape detection devices. Therefore the convention is a positive thing.

Interestingly the United States has signed the convention but as yet has not introduced legislation to ratify it. We talked with the explosives industry organization in Washington, the Institute of the Makers of Explosives. It endorses the convention and said that the Federal Aviation Administration, the lead agency in America dealing with the issue, may introduce legislation soon to ratify it but nothing has been done to date.

We have not had an incident for a long time like the Lockerbie incident or the Air India disaster. The urgency unfortunately has died down somewhat and the issue has probably taken a lower priority. I hope it will not take another tragedy to bring the issue to the world stage once more.

For whatever reasons the convention is not in force right now and therefore it really is not relevant right now. Probably until the United States recognizes it, no significant countries will join in ratifying the law.

The amendment to our own act will continue to be irrelevant until we do something on a political level to bring the United States into the game. Until that happens nothing will ever get done and airline passengers all over the world will be at greater risk from the plastic explosives going undetected in aeroplanes.

A couple of weeks ago the member for Fraser Valley East called on the Minister of Natural Resources to urge her American counterparts to do something about it, to urge them to go ahead and ratify the convention so that other nations would come on board. My colleague has since received a letter from the minister saying that the Americans are already working on legislation implying that there is no need to address the problem.

• (1340)

We would reply that the Americans have been working on it for years with no action. The minister needs to express her concerns directly on a political level to her American counterpart and we are calling on her again today to do that. We want the minister to call her American counterpart and bring him up to speed on the issue. We urge the United States to move on the issue and formally approve the convention so that we can keep terrorism where it belongs. Of course it does not belong at all.

The minister also promised in her letter to participate in an American study that will examine the cost and benefits of marking conventional explosives that are being used in the biker bombings in Montreal to see whether it would be cost effective to identify all explosives and not just plastic explosives. We are pleased to hear that Canada will take part in this study and we look forward to the results.

*Government Orders*

I support Bill C-71. My colleagues support Bill C-71. It will not set the world on its head but it is a step in the right direction and is worthy of our support. It is certainly a shame that the government is not moving ahead with a Canadian agenda but instead is keeping to housekeeping legislation like this which we could have moved through even more rapidly than it is going through the House.

I appreciate the opportunity to speak to the legislation and look forward to its speedy passage.

**Ms. Roseanne Skoke (Central Nova, Lib.):** Mr. Speaker, the Explosives Act is an act of public and worker safety which regulates the composition, quality and character of explosives in addition to their manufacture, importation, sale, purchase, possession and storage. It also controls the use of fireworks.

The amendment is necessary to require the incorporation of a detectable additive in plastic explosives coupled with a provision to enable the governor in council to make regulations to control unmarked plastic explosives. This will hinder terrorism and will enable Canada to ratify the ICAO convention on the marking of plastic explosives for the purpose of detection.

The principal provisions of the bill are worth noting: to require the marking of most plastic explosives for the purpose of detection; to prohibit the manufacture, storage, possession, transfer of possession, transportation, import and export of unmarked plastic explosives, except as may be permitted by the terms of the convention or required by overriding military necessity; and to empower the governor in council to make regulations governing the possession, transfer and disposal of any unmarked plastic explosives.

The passage of the legislation will vault Canada ahead of the U.S. as the only producer state in the Americas to have ratified the convention.

Many questions have been asked with respect to the Explosives Act. Some of those questions are technical; others relate to policy and still others are legal questions. I intend to address those questions today.

One technical question asked is will the addition of a detection agent be effective in combating terrorism in disguise? The answer is yes. The proposed detection agents are of such character they can be detected by bomb detection equipment of current technology and use in Canada. This would render marked plastic explosives an undesirable choice for assembling bombs. A second benefit from tagging plastic explosives is that detection of illegal stockpiles will be simplified.

Another technical question often asked is will the presence of the detection agent compromise the performance or safety of plastic explosives? The answer is no. Only one type of plastic explosive, a military version known as C-4, is manufactured in small quantities in Canada. The safety and performance characteristics of the marked version have been verified by the manufacturer, the military and the Canadian Explosives Research Laboratory.

Another technical question asked is will there be a problem in using the existing stocks of unmarked plastic explosives? The answer is no. Small existing stocks of unmarked plastic explosives in Canada coupled with ample grace periods of three years for the public and fifteen years for the military police to use up or destroy these stocks were judged to be satisfactory during consultations with all concerned parties.

• (1345 )

Another technical question often asked is whether explosives technology is advancing so rapidly that this initiative will soon be rendered obsolete. The answer is no. Explosives technology is stable at this time. In North America, plastic explosives are implicated in very few bombs targeted at aircraft. Prohibitions against the import, export and transfer of unmarked plastic explosives will discourage terrorists from using Canada as a location to plant bombs on aircraft.

Many policy questions have been raised as well. One question often asked is who may manufacture, possess and use plastic explosives in Canada and how will the legislation affect their activities. Plastic explosives in the form of military demolition charges are manufactured in small quantities on an as required basis by Les produits chimiques Expro in Valleyfield, Quebec. This manufacturer is authorized by its factory licence, which is issued pursuant to the Explosives Act and regulations. Sale and distribution of this product is limited to the military, as well as police explosives disposal units.

Commercial plastic explosives in sheet form are legally imported from the U.S. by companies engaged in hardening metal surfaces and explosives welding. The sole Canadian manufacturer does not expect any problems. Importers of commercial plastic explosives in sheet form, however, may experience difficulties in locating suppliers of marked product.

Another policy question often asked is whether these new restrictions will affect competitiveness. The answer is no. It is estimated that the cost associated with incorporating the additive will increase selling prices by no more than 1.25 per cent. It is quite possible that the Canadian manufacturer could realize a competitive advantage in international markets by being fast off the mark in offering marked products.

*Government Orders*

Another policy question often asked is if this initiative is connected in any way to the new proposed gun control legislation. The answer is no. This initiative is the result of an agreement signed in March 1991 and has no connection whatsoever to the gun control legislation recently tabled.

Often legal questions are asked with respect to the act. One question often asked is why the act is to come into force by order in council. It is specifically provided that the act will come into force on a day to be set by the order of the governor in council to ensure that the grace periods provided for in the convention will be respected. This will enable us to make the date of coming into force of the act coincide with that of the coming into force of the convention.

Another legal question often asked is when the convention will come into force. It is impossible to predict when the convention will come into force. Section 3 of article 13 of the convention provides that the convention will come into force on the 60th day following the date of deposit of the 35th instrument of ratification by a state, provided that at least five states have declared they are producer states. Should 35 instruments of ratification be deposited before the deposit of their instruments by five producer states, the convention will come into force on the 60th day following the date of deposit of the instrument of ratification of the fifth producer state.

Another legal question often asked is what happens to the definition of detection agent if the technical annex is amended. This is not a problem. The word convention is defined to refer to the convention as amended from time to time. This means that the definition of detection agent is ambulatory. It will follow any amendment in the technical annex to the convention.

A further legal question often asked is what happens to the definition of plastic explosives if the convention is amended. Amendments to the definition of plastic explosives in the convention would not be automatically reflected in the Explosives Act because we repeated the definition instead of referring to it. We would have to amend the definition in the Explosives Act in order to have it follow an amendment to that found in the convention. However, from a practical point of view this should not be a problem. The definition of plastic explosives is standard. Furthermore it is unlikely that the convention itself will be amended. The only amendments contemplated are to the technical annex.

• (1350)

In addition to the technical questions, the policy questions, and the legal questions, we have what we refer to as miscellaneous questions. It is often asked why it took nearly five years from the March 1991 signing of the convention to table the bill. Initial MOU development, which began shortly after the signing of the convention, involved considerable consultation with

DND, Canada Customs, and Transport Canada. Additional time was lost in 1993 when there was a change in government prior to the tabling and approval of the memorandum to cabinet. It required a second consultation and resubmission of the MC.

I support the Explosives Act. As a member of the natural resources committee I recommend Bill C-71, the Explosives Act, at report stage to this honourable House.

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, I am very pleased to enter the debate on Bill C-71, an act to amend the Explosives Act.

When I read over the act I notice some very specific benefits for Canada, specifically in the area of vapour detection. Our government is very interested in promoting scientific and technological devices to expand our knowledge base and to increase employment. It is very interesting that Canada is a world leader in this type of technology.

I am very pleased to speak in favour of the bill. I note this is a UN convention. It basically restores our commitment to the United Nations and to other countries to detect plastic explosives and prevent their exportation throughout the world.

There have been a few classic examples of plastic explosives being used by terrorists both in and out of Canada. Many of us can remember the Air India disaster and numerous other cases where terrorists have used plastic explosives and the death and dismemberment of many innocent people has resulted. The bill basically addresses that issue with the objective of detecting and stamping out the use of plastic explosives for that very purpose.

It is necessary that the bill be brought into place to recognize our commitment to the United Nations and to recognize the need to deal with terrorist activities. I note that Canada is also a producer of plastic explosives, but the main consumer of them in Canada is our own military. I understand the Canadian military has approximately a 10-year supply of plastic explosives. I am very happy to see that we have made a provision in the act for a 15-year moratorium to allow the inventory of unmarked plastic explosives to be brought down while the new replacements have this detection device included.

Heathrow International Airport uses canines and detection devices to control the exportation of firearms and dangerous substances. We have developed a whole technology to do that. The world does that very well. However we must always be on guard for the development of new types technology. Plastic explosives and small component devices can be exported very easily.

• (1355)

I support Bill C-71 and the effect it will have in the industrial sector in creating jobs for Canadians.

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

## REPORT OF THE AUDITOR GENERAL

**The Speaker:** I have the honour to lay upon the table the report of the Auditor General of Canada to the House of Commons, volume two, dated October 1995.

[Translation]

I remind hon. members that under Standing Order 108(3)(d) this document is deemed to have been permanently referred to the Standing Committee on Public Accounts.

[English]

It being two o'clock, pursuant to Standing Order 30(5) the House will now proceed to Statements by Members, pursuant to Standing Order 31.

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## STATEMENTS BY MEMBERS

[English]

### NATIONAL FAMILY WEEK

**Ms. Roseanne Skoke (Central Nova, Lib.):** Mr. Speaker, we are celebrating national family week in Canada. The family is the basic institution of life and the solid foundation upon which our forefathers built this great nation.

The protection of families, family life and family values must be a priority with the government. The conventional terms of debate in matters of political, economic and legal issues tend to focus on individual rights and the rights of the state, not the rights of the family. This is unfortunate and must change, for the family is the most important reality in our lives.

This weekend families celebrate Thanksgiving in Canada and give thanks to God for our great country, for our families and friends. Happy Thanksgiving to my constituents of Central Nova.

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[Translation]

### CANADA-QUEBEC ECONOMIC UNION

**Mr. Jean H. Leroux (Shefford, BQ):** Mr. Speaker, if we choose sovereignty, we shall be able to make choices in keeping with our own values and priorities. By offering to associate ourselves with the rest of Canada in a partnership, we shall be able also to make shared decisions with our neighbours. The proposed partnership agreement with the rest of Canada is a winning combination.

It is a good combination of autonomy and co-operation. It enables us to take advantage of the elements we have built together—the Canadian currency, the Canadian economic space—and to finally give up squabbling over areas in which our

*S. O. 31*

interests are divergent. A vote for change means a vote for ourselves, for the people of Quebec, above and beyond party lines. A Yes vote means finally standing up for our convictions, voting for what we are and what we want to be.

\* \* \*

[English]

### AIR DISASTERS

**Mr. Darrel Stinson (Okanagan—Shuswap, Ref.):** Mr. Speaker, I rise today to voice my deep concern for the nine Canadians whose helicopter crashed yesterday heading home from Kumtor gold mine in Russia, where they were struggling to bring a new mine into production.

Throughout history the lure of gold has prompted prospectors to face incredible hardships, often only with a packhorse, a pick, a shovel, or a gold pan. The helicopter serves as the modern prospector's packhorse, so all of us in the mining industry can readily sympathize when an accident involves these vehicles.

Gold has its own way of calling us, so precious and fundamental in value. Despite the very real hardships involved, the search for gold will continue to beckon Canadian prospectors and mine developers to snowy mountain tops around the world. Meanwhile, our prayers and good wishes go out to all 15 people on board, as well as to their families.

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### INTEREST RATES

**Mr. John Solomon (Regina—Lumsden, NDP):** Mr. Speaker, today's Auditor General of Canada report reaffirms what New Democrats have been telling Canadians for years, that the high real interest rate policy is the major reason for our massive debt, not social program spending.

High real interest rates hurt the economy, drive up debt and kill jobs. If the federal debt of \$546 billion is a mortgage, Canadians are becoming tenants in their own homes, because 46 per cent of the debt is held by foreigners.

Canada's net foreign indebtedness is by far the highest among major industrialized countries. Even Italy has a foreign debt of less than 12 per cent.

New Democrats have called the Liberal government's high interest rate policy a disaster and the auditor general agrees. High interest rates have created nearly one-third of our debt. More debt should be held by the Bank of Canada. Social program spending has not contributed significantly to Canada's debt.

In view of this evidence, will the Liberals now create a fair economic policy for Canadians, rather than one for foreign investors?

*S. O. 31*

### NATIONAL PARKS AND HISTORICAL SITES

**Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.):** Mr. Speaker, I rise today to acknowledge and thank the hard working men and women who staff our national parks and historical sites.

As Canadians we can be very proud of the quality of our Parks Canada facilities and the quality of service that is provided by a dedicated staff of professionals, men and women who are committed to what are undoubtedly some of Canada's greatest natural resources, our parks and historical sites. These represent an important part of Canadian identity from coast to coast to coast.

In Parry Sound—Muskoka, Parks Canada has responsibility for Georgian Bay Island National Park in the west of my riding and Bethune Memorial House in Gravenhurst. Both facilities have fine reputations and attract visitors from around the world, adding significantly to our local tourist economy.

I congratulate the Parks Canada staff for its fine work on our behalf and for maintaining our resources to the highest standard. Specifically I acknowledge the dedication of Mike Walton, Mary Ellen Corcelli and her staff who are responsible for Bethune House and Georgian Bay National Park.

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[Translation]

### WORLD TEACHERS DAY

**Mr. Mauril Bélanger (Ottawa—Vanier, Lib.):** Mr. Speaker, on October 4, 1966, a special intergovernmental conference adopted the UNESCO recommendation on the status of teachers. Thirty years have passed since the adoption of that historical document, and today we mark the anniversary by inaugurating World Teachers Day.

Just by pure happenstance, on the very day we are marking the vital contribution of our teachers, the permanent campus of la Cité collégiale will be holding its official opening ceremonies in Ottawa. Its teachers and students can be proud of the fact that theirs is the first French-language college of applied arts and technology in Ontario.

I would like to take this opportunity, therefore, to offer my thanks and congratulations to all of the men and women in the educational field for their ongoing efforts to provide Canadian youth with the opportunity to realize their full potential.

My best wishes to all teachers for a happy international day, and to la Cité collégiale for a long life.

[English]

### CANADA POST CORPORATION

**Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.):** Mr. Speaker, earlier this year I toured the head offices of Canada Post Corporation here in Ottawa.

I found Canada Post to be a thoroughly modern distribution organization, the equal of any in the world. Its track and trace system for managing mail flow is said to be state of the art and Canada Post is selling the technology worldwide.

Ensuring timely and cost effective mail delivery to all Canadians is no small challenge. Doing so in the midst of a revolution in communications and at a profit is the challenge that Canada Post faces.

For a time, closing rural post offices was seen as a way for Canada Post to meet this challenge, but this avenue was closed with the decision by the Minister of Public Works and Government Services to impose a moratorium on the closure of small rural post offices. That decision has proven to be enlightened. It has refocused the energies of Canada Post and allowed the corporation to discover that its more than 19,000 outlets are not liabilities but important assets. Now it is time to broaden the range of services which Canada Post provides, especially to rural Canadians.

As other countries have discovered, the possibilities are endless and endlessly exciting.

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[Translation]

### THE NATIONAL DEBT

**Mr. Maurice Godin (Châteauguay, BQ):** Mr. Speaker, every day, owing to Canada's enormous debt, a federalist legacy, we see the extent to which interest rates and monetary policy are determined by our southern neighbour's central bank and by international financial markets.

On May 16, 1994, even Canada's finance minister acknowledged this dependence on financial markets, and I quote: "Canada's debt, especially its foreign debt, undermines the sovereignty of this country. Our sovereignty suffers when we have to keep our interest rates high—even if our rate of inflation is among the lowest in the world—in order to attract foreign investment".

Due to Canada's dependence on foreign investment, it is clear that if the finance minister ignores his obligations as the manager of this debt by refusing to negotiate a new economic partnership with Quebec, national and foreign markets will call him in to order.

• (1405)

[English]

### HEALTH CARE

**Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.):** Mr. Speaker, the politically artificial October 15 deadline imposed by the health minister on the provinces is rapidly approaching.

Why was it imposed? Some provinces have dared to reform their health care system in the best interests of their residents by offering them choice. Alberta, for example, by addressing the chronic problems in its health care system, may be penalized \$7 million annually.

Now there are indications that the minister may be backtracking on her original edict. Officials in her department have stated that October 15 is only the date when they will determine whether some provinces are violating provisions of the Canada Health Act. Financial penalties may be some months down the road.

It is clear the minister's line in the sand is being blown away; blown away by the wind of reform and innovation; blown away by the need for a new Canadian federalism.

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### WATERLOO

**Mr. Andrew Telegdi (Waterloo, Lib.):** Mr. Speaker, it is my pleasure to inform the House that Ville de Waterloo, Quebec and the city of Waterloo, Ontario have agreed to formally twin their respective communities.

The aim of the twinning is to promote social, cultural, economic, historic and sports exchanges in order to strengthen existing ties of friendship and provide a framework for mutually beneficial exchanges of information and experiences.

Representatives of the two Waterloos first met in Ottawa during the Spicer commission hearings. I had the honour to be a participant as a municipal councillor.

Ville de Waterloo will be hosted by my community this weekend during Oktoberfest, the largest Bavarian festival outside of Munich. On Monday, Thanksgiving weekend, the mayors of the two Waterloos will be part of the Oktoberfest parade that will be televised nationally.

To mayors Bernard Provencher and Brian Turnbull, along with their respective councils and communities, we offer our congratulations for their initiatives in promoting goodwill and understanding among Canadians.

My colleague from Kitchener and I invite all members of the House and Canadians to come to Kitchener-Waterloo for Oktoberfest.

*S. O. 31*

[Translation]

### LEADER OF THE ACTION DÉMOCRATIQUE DU QUÉBEC

**Mr. Bernard Patry (Pierrefonds—Dollard, Lib.):** Mr. Speaker, yesterday the separatist leader of the Action démocratique du Québec asked Quebecers to support his plan for Quebec's separation because it was based on the same approach as the common sense revolution of Mike Harris.

This statement by the leader of the ADQ openly contradicted what was said recently by the leader of the PQ about the new government in Ontario. I may recall that recently, the Péquiste leader said in an interview with *Le Soleil*, and I quote: "Ralph Klein and Mike Harris did not take the bull by the horns. They took the public by the horns".

The Yes side should stop adding to the confusion and contradictory statements around the referendum and the future of Quebec. They can make as many clever moves as they want, but the public knows perfectly well that the real issue is separation, and on October 30, the answer will be no.

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### LEADER OF THE ACTION DÉMOCRATIQUE DU QUÉBEC

**Mr. Nick Discepola (Vaudreuil, Lib.):** Mr. Speaker, the statement by the separatist leader of the Action démocratique du Québec, which referred to an independent Quebec on the Ontario model proposed by Mike Harris, was not only a contradiction of what was said by his boss, the leader of the Parti Québécois, it was also a denial of the position taken by the Leader of the Bloc Québécois.

The Leader of the Official Opposition has already said that the approach and policies of the Conservative Government in Ontario would not be applied to Quebec, and I quote: "I find it disturbing, and many people in Quebec are afraid of this model of society".

It has become increasingly clear that the three leaders on the Yes side cannot agree on the kind of society they want to offer to Quebecers. The people of Quebec are very wary of these contradictions, and that is why they will elect to stay in Canada by voting no on October 30.

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### CANADIAN DOLLAR

**Mr. Réjean Lefebvre (Champlain, BQ):** Mr. Speaker, strangely enough, some supporters of the No side are still questioning the right of a sovereign Quebec to use the Canadian dollar. The decision as to which currency can be used as legal tender on a sovereign country's territory can only be made by that country. Even the United States has no control over transactions made in U.S. dollars outside its borders. It must also be

*S. O. 31*

understood that if Quebecers stop using the Canadian dollar, this will have a very negative effect on its value.

As for the monetary policy, Mr. Johnson must be the only one who thinks that it is controlled by Parliament, as he stated yesterday. In Canada as in most industrialized countries, the central bank must be independent from the political powers in order to ensure its immunity from political influence and vagaries.

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[*English*]**JUSTICE**

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, here we go again. The Liberal government's failure to deal effectively with terrorism by a few aboriginal thugs in the past is continuing to cause a breakdown in law and order.

• (1410)

These terrorists know that the justice minister and the solicitor general follow the politically correct agenda that will not bring the full force of the law to bear for legal action.

Canadians, including law-abiding aboriginal people, are disgusted that the government has two legal systems in place. Word has been received that other terrorist actions will take place, that a few more hotheads are planning to take over land they do not own and have no claim to, land to which they have no history.

Let the government know that the law-abiding people of Canada are watching, that they want to see all laws enforced. Canadians are watching for the government to quit the politically correct attitude and bring the full force of the law down on all those who threaten Canadians.

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[*Translation*]**LEADER OF ACTION DÉMOCRATIQUE DU QUÉBEC**

**Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.):** Mr. Speaker, the separatist leader of the ADQ has added to the rumours about the PQ Premier's leadership that have been circulating for several days among Quebec separatists.

In his conversation with reporters yesterday, the leader of the ADQ warned that, should the No side win the October 30 referendum, we must expect "a redeployment of Quebec's nationalist forces".

Although tour organizers tried to minimize the importance of that statement and urged reporters not to publish it, the leader of the ADQ nonetheless allowed himself to speculate publicly on the political future of the PQ Premier.

The political ambitions of some separatist leaders must not derail the debate in which Quebecers have been invited to participate.

The only true question is Quebec's separation, to which our answer is No.

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**FRANCOPHONES OUTSIDE QUEBEC**

**Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.):** Mr. Speaker, on September 14, the Bloc Québécois critic on Canadian heritage issued a press release in which she stated that the federal government had failed in its effort to protect and promote French language in Canada.

In making such a statement, the separatist opposition is looking for a way to make people forget that its separation project means that French speaking people outside Quebec will be left to fend for themselves.

We, the Canadian government, really care about that community. Thanks to the concerted efforts of our government and the Ontario government, the 200,000 French speaking residents of eastern Ontario now have the largest French speaking technical college outside Quebec.

This afternoon, the Prime Minister will personally attend the official opening ceremony of the Cité collégiale. This is yet another example of the efforts made by the Canadian government to promote the use of French from coast to coast.

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[*English*]**IMMIGRATION AND REFUGEE BOARD**

**Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.):** Mr. Speaker, the bleeding heart mentality of the Liberal government has penetrated the Immigration and Refugee Board, appeal division. Its decision to allow Satpal Singh Jhatoo, a convicted murderer, to stay in Canada is reprehensible. The board says the killer is remorseful. It says the killer is unlikely to reoffend, so it let him stay.

It does not matter that he beat a mother of six to death with a baseball bat, doused her body in gasoline and set it on fire. It does not matter that before being sentenced to life for this horrible crime he was convicted of aggravated assault when he stabbed a man in the neck.

It does not matter that he violated parole. It does not matter that he was caught smoking pot while on parole. It does not matter that he received day parole after only seven years in prison.

It does not matter that the Minister of Citizenship and Immigration has the means and the power to declare this criminal a danger to the public and have him deported. It does not matter to the bleeding heart Liberals, but it does matter to Canadians.

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### ROYAL BANK

**Mr. Alex Shepherd (Durham, Lib.):** Mr. Speaker, the Royal Bank is our largest financial institution. It is part of the general banking industry that has been requesting increased access to other financial service sectors within our country so that, as it says, it can more effectively compete in a new globalized trading system.

Canadians have paid the price of reduced competition in the securities business and now there is the possibility of encroachment into the area of insurance.

This bank now chooses to display the flag of the United States in some of its branches.

• (1415)

While I understand this is a promotional campaign, Canadians are nevertheless insulted by this intrusion of foreign symbolism into what has been until now a historically Canadian institution. This is especially true since it has been Canadians who have paid the price in many countless ways of supporting it.

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## ORAL QUESTION PERIOD

[Translation]

### MANPOWER TRAINING

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, in a unanimous decision, the Société québécoise de développement de la main-d'oeuvre, which brings together business and employee representatives, yesterday denounced federal encroachment, in the form of Bill C-96, in the area of manpower training. This public organization is asking the government to stop setting up new parallel structures and to refrain from further intrusion into Quebec jurisdiction.

I ask the Prime Minister if he acknowledges that, with Bill C-96, Ottawa is acquiring the means to meddle further in manpower training and will therefore increase overlap and waste to the detriment of the unemployed and Quebec's jurisdiction?

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, obviously the Leader of the Opposition has not taken the time to read the bill. There are no new

powers given to the human resources department, as he may well recall.

The human resources department is an amalgamation of four other departments to provide a more effective delivery of services across Canada. The powers under article 6 were also contained within the existing departments. Over the past year they have allowed us to have almost 50,000 different contracts and agreements with a wide variety of groups, including the province of Quebec and the Government of Quebec in order to better assist Quebec workers to get back to work and to help with training. We have done that in a very co-operative way.

I hope the hon. Leader of the Opposition will not go off on another wild goose chase but will look at the legislation and see there are no new powers. We are simply trying to make a more efficient delivery of what the government wants to do which is help people get back to work.

[Translation]

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, I would remind the Prime Minister and his minister that the Société québécoise de développement de la main-d'oeuvre is a non partisan organization, which brings together all stakeholders in Quebec, which knows how to read bills, and which saw in this one a dangerous encroachment upon Quebec's jurisdiction.

I would ask the Prime Minister whether he acknowledges that, with this bill, his government is going against the very broad consensus in Quebec in favour of repatriating financial responsibility for manpower training?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the Minister of Human Resources Development said it clearly a few seconds ago. He said that the bill before Parliament at this moment is aimed at amalgamating government agencies that were under different departments, and the powers delegated to the minister at this moment are exactly the same as those in previous legislation.

At this point, with all the provinces, including Quebec, we are trying to make administrative arrangements to reduce duplication. The minister, in fact, signed a number of agreements with the Government of Quebec over this past summer.

**Hon. Lucien Bouchard (Leader of the Opposition, BQ):** Mr. Speaker, the government cannot minimize what is going on. It is an unprecedented assault on all legislative fronts, which is aimed specifically at giving the federal government the means to meddle once and for all throughout an area of Quebec jurisdiction, messing things up further than they already are at the moment.

I would remind the Prime Minister that the Société québécoise de développement de la main-d'oeuvre's denunciation of the federal bill was unanimous and had the support of Ghislain Dufour, president of the Conseil du patronat and a member of the no camp.

*Oral Questions*

Does the Prime Minister consider the position taken by his federalist ally a mere caprice as well and will he also sweep him away with a wave of his hand?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, this is quite a pleasant about face. Yesterday, I was being criticized for forcing all businessmen to be on my side. There are some who do not agree with us. That is what democracy is all about.

• (1420)

I am not asking everyone to be on our side. At the moment, we are trying to give the Minister of Human Resources Development the legislative means to ensure programs are better co-ordinated. At present, we are trying with the provinces, including Quebec, to find ways to decentralize and administer them so that Canadians may benefit directly from them.

I do not think our plan is to build a bigger public service in Ottawa. We proved that recently by cutting 45,000 public service positions in the federal government. If we were here to build empires, we would not be laying off 15 per cent of the workforce.

If we can deliver services to people better than we do at the moment, we are always ready to look at the options, but our objective is to ensure that regions in Canada with more unemployed receive essentially the same benefits as regions that are well off.

Our job, as the Government of Canada, is to ensure that well off regions and prosperous citizens are able to help those, across Canada, in the Maritimes as in Quebec, who are, unfortunately, in the difficult situation of being out of work at the moment.

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, my question is for the Minister of Human Resources Development.

Yesterday, the Société québécoise de développement de la main-d'oeuvre strongly denounced Bill C-96, saying: Quebec alone will hold the responsibility for manpower adjustment and trade training policies on its territory and will therefore repatriate the budgets allocated by the federal government for these programs in Quebec.

Will the minister agree that the federal government's plans confer upon it the possibility of entering directly into an agreement with any individual or organization of its choice, thereby turning its back on the consensus of the partners making up the SQDM and their priorities and on the unemployed of Quebec?

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the hon. member for Mercier knows better than that because she has been carefully following many of the developments and initiatives we have taken.

Under the existing legislative authority which would simply be ratified in the new bill we have an agreement with the Government of Quebec to provide assistance to older workers who have been displaced from their jobs.

We buy annuities. Last year we helped close to 2,000 workers in Quebec. It simply gives us the authority to purchase those annuities to help those older workers retain some income when they cannot get a job.

It seems the hon. member for Mercier is telling the federal government that we cannot work with the Government of Quebec, we cannot help older workers, we cannot buy annuities and we cannot help people who are displaced from their jobs. It is an advocacy of a do nothing approach to helping people who do not have jobs.

[Translation]

**Mrs. Francine Lalonde (Mercier, BQ):** Mr. Speaker, after a careful and most thorough examination, we find no previous legislation which gave legal and constitutional power to the government to sign agreements directly with individuals and organizations. This is what we are denouncing.

Does the minister acknowledge that all he has to offer Quebecers is an agreement which Daniel Johnson himself labelled, as did the present Minister of Labour, a bargain basement agreement and refused to sign because it did not correspond in the least to the consensus in Quebec.

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the hon. member has made a very gross error in factual information. She said that somehow we are acquiring new powers. The legislation simply confirms existing mandates under the jurisdiction of Parliament on things like the Unemployment Insurance Act and the Department of Labour Act.

As a result, last year under existing authorities which will simply be confirmed by the new act, we signed close to 10,000 contracts with not for profit organizations. We signed 9,300 contracts with private firms. We had 2,800 contracts with public sector organizations and municipalities. We even have a number of contracts with the Government of Quebec which we have signed. For example, when the Hyundai plant in Bromont was going down we worked closely with the Government of Quebec to collaborate and help displaced workers.

• (1425)

We are already doing those things under existing authority. We are simply trying to have administrative simplification and cohesion so we can provide better service to the people of Quebec.

## PEACEKEEPING

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, after years of peacekeeping under very difficult circumstances our ground troops are finally coming home from Bosnia. Our troops have done the very best job possible and all Canadians are extremely proud of them.

While the government blasted the Reform Party for suggesting a withdrawal, when the UN told it the same thing last night it immediately fell into line. Now that our troops are coming home will the Prime Minister guarantee that before Canada commits to any future missions Parliament will be allowed to establish a clear set of criteria for all future military commitments?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, Canadian soldiers in the former Yugoslavia for the last three years have performed an excellent duty. That is recognized by everybody.

The United Nations decided the battalion in Visoko is not needed any more because it is within an area completely controlled by the Bosnian government. We will repatriate its members with pleasure and thank them for a job extremely well done.

We were there because the UN asked us to be there. Now the UN says they do not need to be there any more, and so we will bring the troops back to Canada.

For the first time ever we have had debate on this in the House of Commons. I have seen the Reform Party change its position two or three times since the beginning. For our part we have always been behind the UN and behind the Canadian soldiers who are considered the best there.

Now the mission is over. We are happy. The troops will be back in Canada with the satisfaction of having accomplished an excellent job in Visoko. We are all proud of them in Canada.

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, the mandate in Bosnia disappeared months ago. We have been calling for the withdrawal for months now. Canadians are demanding to know before they commit to these sorts of missions what they will cost.

They want to know how long we will be there. They want to know whether we can deliver the mandate being given to us. They want to know whether we will be part of the decision making process or whether we will simply be followers.

Can the Prime Minister tell Canadians the government has learned a lesson from this mission and that it will promise to let

## Oral Questions

Parliament be involved and have a free vote on developing criteria for peacekeeping?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the mandate we accepted in February after a debate in the House of Commons was until the end of this month.

We respected the mandate. The UN now says it does not need the Canadian troops because it wants to reduce the number. We are happy because if we bring them back to Canada they will be better off.

Canada is always available when people are in very difficult circumstances, when there is misery and when people have been killed to protect families, children and so on. We have always been there. We will do it again and there will be a debate in the House of Commons.

The peacekeeping mission was created by the Canadian government. The peacekeepers who are so well known in the world were created by Prime Minister Lester B. Pearson, my predecessor as leader of the Liberal Party. It was done at the time of the war of Great Britain and France against Egypt. He had the guts for the good of the peace of the world to say to the British and the French that war had to stop.

It is in the tradition of Lester B. Pearson that we are making our decision in relation to the UN.

• (1430)

**Mr. Bob Mills (Red Deer, Ref.):** Mr. Speaker, I think this is typical of how the government reacts to issues. It is in the past. It lives in the past. It gives us a history lesson. What we really need to do is look to the future. The 21st century is coming. It is going to be different. The old line politics will not work any more.

The government is trying to claim victory on the backs of a decision made by the UN. It is about time that it admitted that we need these criteria, that people are demanding these criteria, and that people are really interested in this.

I wonder if the Prime Minister will be just like the last government and do things in secret and then try to somehow rubberstamp them by bringing them here after the decision is made.

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I can see how desperate they are.

The member talks about the past. Yes, the past was last week when the Minister of Foreign Affairs made a very important speech at the United Nations recommending the modernization of the United Nations. What the hon. member should do to complete his education is read the speech of the minister.

*Oral Questions**[Translation]***MANPOWER TRAINING**

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, my question is directed to the Minister of Human Resources Development.

Clearly the minister is about to make the same mistake with Bill C-96 as the Minister of Industry in the case of Bill C-88 on interprovincial trade, by unilaterally assuming powers that negate the responsibilities of the provinces. I may recall that after scoffing at the objections of the official opposition, the Minister of Industry had to acknowledge his mistake and back down.

If the minister does not intend to go over the heads of the provinces, why does he use clause 6 and clause 20 of the bill to acquire the means to do so? It is there in black and white.

*[English]*

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, we have done quite the opposite.

As I have said in the House before, when the minister of employment was given her new task I immediately wrote and suggested that we negotiate the whole question of the labour market issues in Quebec with a view to taking a look at 75 per cent of the programming we do in that province and developing a different set of authorities, joint planning, and transferring certain responsibilities. The answer from the minister of employment was no, she did not even want to talk about it.

I tried again. I wrote back to her and said let us do a joint study between the SQDM, the Government of Quebec and my government on duplication and overlap. I made the offer, saying that we would jointly pay for it. Again the minister of employment refused to answer.

My point is I cannot force the minister of employment in Quebec to co-operate with me. I would like to have that co-operation. I want to work out how we can get a better delineation of responsibilities. I urge the hon. member to go back and talk to the minister of employment in Quebec and ask her when she is ready to co-operate. As soon as she says yes, I will be there.

*[Translation]*

**Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ):** Mr. Speaker, apparently the minister would like to be Canada's minister of education. Would the minister agree he is taking the means to circumvent the provincial governments because he wants to establish a national strategy for intervening in manpower issues, which may be acceptable to other provinces but flagrantly contradicts the general consensus expressed many times on this matter in Quebec?

*[English]*

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, it is quite the contrary again. The member should know, because he has been in the House now for two years, that what we have arranged is a very good, co-operative arrangement in the area of student assistance. We have the Canada student loans program. Quebec has its own program.

When we reformed our program this summer and brought in programs to provide specific grants for disabled students and students with high income needs that would enable them to go school earlier, we transferred that money directly to the province of Quebec so it could offer the same programs to its own students. Now that is the notion of flexible federalism: not a takeover, but a way of working in co-operation.

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**NATIONAL DEFENCE**

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, my question speaks to the mismanagement at the highest level at the Department of National Defence and is directed to the Prime Minister.

• (1435)

Every day we have seen another leadership crisis in the Department of National Defence. The minister and the CDS are publicly at war. These are Liberal problems, and the government uses the inquiry to justify inaction. The Canadian Armed Forces are demoralized, dispirited, and cannot wait until June 1996 for the government to act.

Why is the government failing to deal with these daily scandals at the Department of National Defence?

**Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, if there is any demoralization of the Canadian forces I can assure you it is aided and abetted by the irrelevant questions that are put forward by the members of the third party.

**Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.):** Mr. Speaker, the Minister of National Defence has mishandled de Chastelain, Kenward, Vernon, Labbé, and it goes on and on and on every single day.

My question is directed to the Prime Minister. The Liberal government has done nothing to correct the leadership problems at DND. The Prime Minister's confidence in his Minister of National Defence and the Chief of Defence Staff is misplaced. Will the Prime Minister solve the leadership problem and demand the resignation of the Chief of Defence Staff and his Minister of National Defence?

*Oral Questions*

[Translation]

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, I have confidence in the Minister of National Defence and the Chief of Defence Staff. We are now discussing a problem that arose in Somalia before we formed the government. We will try to get to the bottom of this. We took the initiative to have an inquiry on the subject, and I think that so far, the minister, the Chief of Defence Staff and particularly the parliamentary secretary to the Minister of National Defence are all doing an excellent job.

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**MANPOWER TRAINING**

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, it is absolutely incredible to see the Minister of Human Resources Development talk about the Quebec government's refusal to co-operate on manpower issues when at this very moment, he has a bill in which he assumes powers he never had before, which constitute an incredible and unprecedented invasion of the jurisdiction of the Government of Quebec over manpower. So much so that it was even criticized by hard core federalists in Quebec. You can only go so far.

Would the Minister of Human Resources Development agree that this bill marks the first time the federal government acquires the legal authority to go directly over the head of the Government of Quebec? Will he admit it?

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.):** Mr. Speaker, the hon. member is being a little silly, frankly.

**Some hon. members:** Oh, oh.

**The Speaker:** I would ask all hon. members to please choose their words carefully.

**Mr. Axworthy (Winnipeg South Centre):** Mr. Speaker, I will rephrase it to say the hon. member has strayed substantially from the line of logic and reason.

I simply quote to him clause 6 of the bill. It is in black and white: "The powers, duties and functions of the minister extend and include matters over which Parliament has jurisdiction". That is the existing act. There is no difference. Nothing has changed. Nothing is altered. Nothing is amended. Everything is the same. We simply are able to work out the kinds of agreements and arrangements with provinces that the department of labour, the department of employment and immigration, the department of welfare, parts of the department that used to be in citizenship have all done over the past 30, 40, 50 years. Nothing has changed. We are working on the legislative base that exists. We are simply consolidating the powers because the department has been consolidated.

• (1440)

[Translation]

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, it is really too bad that the Minister of Human Resources Development should stoop to name-calling, the logic of the weak, the logic of those who have nothing to say. He would be better off answering the question. We would rather have answers than arrogance. Quebecers would appreciate that.

I will direct my question to the Prime Minister, and maybe then I will get an answer. Would the Prime Minister agree that the bill introduced by his Minister of Human Resources Development is a perfect illustration of the federalism by administrative agreement he is proposing to Quebecers, in other words: first step, Ottawa assumes all powers over a given jurisdiction; second step, it asks the provinces to come and beg to have these powers back, and third, I am sorry to add, he calls them names when they do?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the minister just explained very clearly something that is quite straightforward. A number of departments were amalgamated to put all human resources together. The powers given to the minister are the same as they were in each department separately.

The bill clearly says that no new powers have been given to the minister. What we are trying to do is use certain decisions and administrative agreements, which will necessary vary from province to province because some are more interested than others, as a way to make adjustments appropriate to the needs and wishes of each province.

This is federalism at its most flexible, and there is no—

**Some hon. members:** Oh, oh.

**Mr. Chrétien (Saint-Maurice):** Especially since they keep saying we are empire building. Again, I want to say that we have just cut 45,000 jobs within the federal government. That is not because we want more power and more bureaucrats. The minister eliminated 5,000 jobs in his own department to make his operations even more effective and less costly for the people of this country. We are accused of empire building, when we are being extremely accommodating.

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[English]

**THE ECONOMY**

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, the IMF said yesterday that the government should move faster to reduce the federal deficit to safeguard economic growth. The Auditor General of Canada said today that longer term targets for debt should be identified beyond the two-year rolling targets that have been put forth by the Minister of Finance.

*Oral Questions*

Will the Minister of Finance commit to the House that he will introduce legislation to assure Canadians and the IMF that the debt will finally be controlled?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, the IMF in its report was quite complimentary of the actions the government has taken. The report of the Auditor General of Canada was equally complimentary of the actions we have taken, both in terms of deficit reduction and in terms of the publication of information.

I have made it very clear that the process that was employed by the previous government, which was to simply set a series of long term targets, most of which occurred after an election and were never attained, was not a process we were going to follow, that in fact the series of rolling two-year targets was far more beneficial. As a result of that the government has consistently hit every single target it has set.

**Mr. John Williams (St. Albert, Ref.):** Mr. Speaker, the IMF wants to know when the debt is going to be under control. The Auditor General of Canada wants to know when it is going to be under control. Canadians want to know when it is going to be under control.

I ask the Minister of Finance if he knows, beyond his two-year rolling targets, when the deficit will be eliminated.

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, control is a condition of credibility. The government has re-established the credibility of government in terms of its projections and what it does. Control arises when a government very clearly not only hits its targets but in fact brings forth balanced legislation, a balanced program to do what it set out to do.

• (1445)

Our goal is deficit reduction but let us never forget that deficit reduction is an ingredient of this government's number one goal which is to make sure that more and more Canadians are working. That is what we are going to do instead of engaging in the slash and burn destructive policies of the Reform.

\* \* \*

[Translation]

**FEDERAL DEBT**

**Mr. Richard Bélisle (La Prairie, BQ):** Mr. Speaker, my question is for the Prime Minister.

The auditor general just tabled his second quarterly report. With the federal debt approaching \$600 billion, he feels that Parliament and the Canadian public need more information, particularly regarding the size of the debt and the choices taxpayers will have to make.

Will the Prime Minister admit that, by waiting for the referendum to be held before giving the bad news about cuts to social programs, he is unduly delaying a public debate on the choices to be made, as requested by the auditor general?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, the auditor general fully agrees with us that, before this debate can take place—and we are all in favour of this debate—there should at least be statistical data and figures available. He made this quite clear. Last year's figures are not ready yet. As soon as they are and as soon as we get an invitation from the committee, we will gladly go before the committee.

Having said that, I would like to mention what the auditor general asked us to do. He asked us to produce an annual financial statement, and we did. He asked us to provide the public with more information on our tax expenditures, and we did. He asked us to produce an annual economic update; we did so for our first two budgets and will do so again this time around.

**Mr. Richard Bélisle (La Prairie, BQ):** Mr. Speaker, I have a supplementary question.

The auditor general also contends that our choices are becoming increasingly difficult.

My question is for the Minister of Finance. Will the Minister of Finance admit that this statement by the auditor general explains his government's strategy, which consists in hiding all the bad news until after the Quebec referendum?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Hide, Mr. Speaker? Tell us what a sovereign Quebec's debt level will be. Tell us how much higher interest rates will be in a sovereign Quebec. Tell us how much higher taxes will be in a sovereign Quebec? Let us lay all the cards on the table. Tell us the truth. He should tell us the truth, Mr. Speaker, about the negative impact of independence in Quebec.

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[English]

**CFB SHEARWATER**

**Mr. Ron MacDonald (Dartmouth, Lib.):** Mr. Speaker, my question is for the Minister of National Defence.

In the budget of two years ago, measures were announced regarding the downsizing of Canadian Forces Base Shearwater which resulted in the loss of about 700 jobs. Through perseverance and hard work that community has adjusted. However, new and unnamed DND sources are now being quoted in the media as saying that the Department of National Defence intends to completely close that base down this fall which would result in the loss of an additional 1,400 jobs.

*Oral Questions*

I ask the minister to remove the anxiety these recent rumours have caused to that community by stating clearly that these latest rumours bear no relationship to the plans this government has for CFB Shearwater.

**Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.):** Mr. Speaker, I thank the hon. member for Dartmouth for his question.

As announced in the 1994 budget, the operation at Canadian Forces Base Shearwater has been integrated with Canadian Forces Base Halifax across the harbour. Certain parts of the operation, strictly air, are being moved to Canadian Forces Base Greenwood.

Savings have been effected essentially by reducing the air operation at Shearwater from a full airport operation, as the hon. member knows, to a heliport operation. This is a very viable operation as it turns out and there are no plans to move it.

In summary, I am advised there are no plans to close the Shearwater site at this time.

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**IPPERWASH**

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, my question is for the solicitor general.

• (1450)

Last night the radical native squatters burned down another building at Camp Ipperwash to continue their reign of terror against the people of Bosanquet. The police and town fire department refused to attend because previous threats of violence were made against them.

For the last two years the town council of Bosanquet has been demanding that the federal government do something to restore law and order. Why is the minister not responding to the requests of the town council? Why does he continue to cater to thugs who thumb their noses at the laws of this country?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, there are established procedures for the federal government to provide assistance to local law enforcement authorities.

It is very simple. If Ontario feels it cannot handle the situation and asks the federal government for assistance, it will give a prompt and effective response to the request. The road of action is very clear. We are not catering to thugs. As I said, if Ontario wants federal government assistance then the means of making that request are very much in place.

**Mr. Art Hanger (Calgary Northeast, Ref.):** Mr. Speaker, I am sick to death of hearing about jurisdiction from the minister. Furthermore, I am saddened by the fact that this minister does not have the guts to protect Canadians—

**Some hon. members:** Oh, oh.

**The Speaker:** My colleagues, many times we are carried away on the spur of the moment and sometimes we use terms that could in other circumstances be judged to be unparliamentary.

I ask the hon. member to please refrain from that type of language and I ask him to please put his question.

**Mr. Hanger:** Will the solicitor general order the RCMP into the area to assist the OPP in putting an end to this rebellion or else will he go to Bosanquet and explain to the people why he will not act?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, I said very clearly that I and the federal government are ready to act. All that is required is for the town council to go to the Ontario government and if the Ontario government says it cannot handle the matter, then we are ready to step in. If my hon. friend does not realize that simple fact, then he is not doing his job.

\* \* \*

[Translation]

**ACCESS TO INFORMATION**

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, my question is for the Prime Minister.

Two days ago in this House, the Prime Minister stated, and I quote: "Information can be sought under the Access to Information Act. Any citizen can request information from government departments".

After inviting the official opposition to use the Access to Information Act, how does the Prime Minister explain the fact that, in the past seven months, the Privy Council has systematically turned down every single request submitted by the official opposition under the Access to Information Act?

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the Privy Council receives requests, as provided for in the act. Some documents cannot be released under the act, under the regulations. This act was passed by Parliament. Internal communications between ministers, in any government, are not made available to people from outside. That is normal. The Privy Council is, however, instructed to release what must be released under the act.

*Oral Questions*

**Mr. Michel Bellehumeur (Berthier—Montcalm, BQ):** Mr. Speaker, again, the government has a perfect score: 17 out of 17 requests for information have been turned down. Not a bad average.

In that case, why does the Prime Minister refuse to release the studies on overlap and duplication, whose existence was confirmed in the secret Industry Canada document? That much is clear.

• (1455)

**Right Hon. Jean Chrétien (Prime Minister, Lib.):** Mr. Speaker, the Minister of Intergovernmental Affairs gave a more than adequate explanation on this matter a few days ago in this House.

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[English]

**AGRICULTURE**

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, my question is for the minister of agriculture.

Canadian farmers have been delivering wheat and barley to the United States, often clearing Canadian customs without a Canadian Wheat Board export permit. On Tuesday, three American trucks hauling barley from Canada were seized by customs as they tried to enter the United States. Previously, these same trucks with the same product were allowed to enter the United States.

Is it legal or is it illegal? Are exports permitted or are they refused? Will the minister tell confused farmers why some trucks are seized and others are not?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the law on this point is very clear with respect to export of wheat and barley from Canada. Obviously the appropriate paperwork and authorization from the Canadian Wheat Board are required. When that paperwork is not provided the export is contrary to the regulations. Those regulations are enforced in due course as the law requires. I trust the Reform Party is not advocating violations of the law.

**Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.):** Mr. Speaker, actually the law is not always enforced. Farmers do not know what the law is because there is no standard.

The minister in charge of Canadian customs, the Minister of National Revenue, has received notice that today trucks carrying farmer owned wheat and barley will pull in at Canada customs at the Peace Gardens in Manitoba. I would like to know if the minister has given orders to customs officials to seize the trucks or if he has given orders to let those trucks pass through into the United States?

**Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.):** Mr. Speaker, the officials of the Government of Canada, whether they work for my department or Revenue Canada or any other department of the Government of Canada,

need no instructions to do their job. They know what their job is and they will exercise their responsibilities.

\* \* \*

[Translation]

**OFFICIAL DEVELOPMENT ASSISTANCE**

**Mr. Geoff Regan (Halifax West, Lib.):** Mr. Speaker, my question is for the Minister of Foreign Affairs. It appears that members of the Bloc Québécois cannot decide whether or not they want the federal government to spend money in Quebec.

Does Quebec get its fair share of economic benefits from official development assistance?

**Hon. André Ouellet (Minister of Foreign Affairs, Lib.):** Mr. Speaker, finally a question that will certainly interest our friends across the way.

**Mr. Chrétien (Saint-Maurice, Lib.):** Excellent question. We had been expecting it for a long time.

**Some hon. members:** Oh, oh.

**Mr. Ouellet:** Mr. Speaker, they obviously do not like being given figures that clearly show how good Canada and the Government of Canada are for Quebec businesses and to Quebecers.

As for official development assistance, 30 per cent of supplies come from Quebec, and 33.4 per cent of registered consultants are from Quebec.

**An hon. member:** One hundred per cent of them Liberals.

**Mr. Ouellet:** More than one third, or 36.3 percent, of all contracts go to Quebec.

I can hear a voice shouting: "Liberals". I will remind my hon. friends opposite that one of the organizations that benefit the most from CIDA's assistance is Hydro-Quebec.

**Some hon. members:** Oh, oh.

**Some hon. members:** Ah.

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**RESEARCH AND DEVELOPMENT**

**Mrs. Pierrette Venne (Saint-Hubert, BQ):** Mr. Speaker, my question is for the Prime Minister. On Monday, the Minister of Intergovernmental Affairs and the Prime Minister both said that Quebec was receiving more than its share of federal moneys for science and technology. However, the secret document prepared for Operation Unity clearly shows that, in 1993, Quebec only received 17.1 per cent of the federal moneys spent on research and development.

Given the figures provided by Industry Canada, will the Prime Minister recognize that he was wrong when he claimed that Quebec was getting its fair share, and that in fact our province was treated unfairly as regards the establishment of federal research centres?

• (1500)

**Hon. Douglas Young (Minister of Transport, Lib.):** Mr. Speaker, surely the hon. member is aware of the efforts made by the government of Canada to ensure the establishment of a very important industry in her own riding.

It always comes as a surprise to hear opposition members ask questions on sectors in which Quebec is undoubtedly the leader among all Canadian provinces. I thought the hon. member would have been pleased by such a success in her own riding.

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[English]

### INDIAN AFFAIRS

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, on Monday the membership of the Frog Lake reserve in Alberta ousted its chief and paid him \$25,000 to leave. It is frustrated that the Indian Act does not empower individual band members.

When will the minister introduce a mandate for other government departments such as Revenue Canada and the auditor general to ensure accountability of federal funds so that members of bands will feel protected, and not just their chiefs?

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.):** Mr. Speaker, the Frog Lake band situation is not as simple as that, as the member should know since she lives approximate to it, although very seldom visits it.

On Frog Lake there is an issue between those who want to have housing and those who want to have a band office to the extent that the chief's health—he is a good chief—has deteriorated significantly and he wants to leave.

The hon. member would serve her constituents in a budding band in a more fruitful manner if she would go there and help that chief because he is in a very difficult situation and in ill health.

\* \* \*

### THE ECONOMY

**Hon. Audrey McLaughlin (Yukon, NDP):** Mr. Speaker, my question is for the Minister of Finance.

The government continues to indicate that social and health programs are the major cause of debt and deficit but as the minister knows and has said in the House, it is tax loopholes and the high interest rate policy.

Today's auditor general report reaffirms that Canada's level of foreign indebtedness is the highest among major industrial

### Business of the House

nations and that this foreign indebtedness is threatened by control of monetary policy.

I ask the minister if he would consider two measures to start taking control of our monetary policy. One is whether he would reinstate reserve requirements for the chartered banks with the Bank of Canada which would allow the bank to assume more of Canadian debt, and whether he would reduce the 20 per cent foreign investment option with RRSPs which would encourage Canadians to invest in Canada.

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.):** Mr. Speaker, the hon. member has properly identified a problem the government in its deficit reduction program has identified and is seeking to address, the very high level of foreign indebtedness which exists primarily in the private sector and in a number of provincial government borrowings.

I do not believe, however, the solutions brought forth by the member really suit. We must increase the percentage of Canada's savings.

As far as the reserve requirements of the banks, if we are to create jobs we want to make sure our banks are competitive with other banks.

As far as the 20 per cent rule, we have looked at it. As members know, there have been recommendations that the 20 per cent rule be increased. Those are not recommendations I would be inclined to accede to at this time.

**The Speaker:** This brings to a close question period. I have the usual question for Thursday. I will take that first and then go to a point of order.

\* \* \*

[Translation]

### BUSINESS OF THE HOUSE

**Mr. Michel Gauthier (Roberval, BQ):** Mr. Speaker, my question is for the leader of the government in the House. I want to ask him if the legislative agenda of the upcoming weeks will be as light as the one of the last few weeks.

[English]

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):** Mr. Speaker, I am surprised the opposition House leader does not consider major measures with respect to public safety like witness protection and updating our parole system and improving the system of regulation of transport as serious and important.

*Government Orders*

• (1505)

The hon. member and his colleagues have fully participated in these debates. I think the public will agree, even if he does not, that we have had and will continue to have a serious and important legislative program.

Our priority today and tomorrow will be third reading stage of Bill C-64, the employment equity legislation. I wonder if he is saying to one of his colleagues he does not consider that an important bill. If this bill is not completed when we adjourn tomorrow we will resume its consideration on October 16.

Following that, we will call Bill S-9 involving the U.S.-Canada income tax convention, followed by any other bills that have been or are about to be reported from committees. A number of bills are in the late stages of consideration in committees and we hope to have them reported soon.

We will then call second reading of the bill creating the Law Commission of Canada to be introduced tomorrow, followed by the tax convention legislation that was introduced this morning.

I am pleased to give this statement of the important and substantial government business, the balance of which we will be calling for this week and after we return from the break for Thanksgiving.

\* \* \*

**POINTS OF ORDER**

## COMMENTS DURING QUESTION PERIOD

**Miss Deborah Grey (Beaver River, Ref.):** Mr. Speaker, this arises out of question period when the minister questioned my commitment to Frog Lake. I would like it on the record that I have lived on the reserve and taught on the reserve. I have had foster children living with me from that reserve. There is no way to question my commitment to those people and the crisis they are facing right now.

**ROUTINE PROCEEDINGS**

[English]

**COMMITTEES OF THE HOUSE**

## HUMAN RIGHTS AND STATUS OF DISABLED PERSONS

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.):** Mr. Speaker, I think you will find unanimous consent for the following motion:

That four members of the Standing Committee on Human Rights and the Status of Disabled Persons be authorized to travel to Halifax, Nova Scotia to attend the meeting of provincial disability advisory councils October 17 and 18, 1995.

(Motion agreed to.)

**GOVERNMENT ORDERS**

[English]

**EMPLOYMENT EQUITY ACT**

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.)** moved that Bill C-64, an act respecting employment equity, be read the third time and passed.

He said: Mr. Speaker, as the House leader said a few minutes ago, this is a very important legislative initiative by the government.

In introducing it on third reading, I take the opportunity to thank several colleagues in the House. As members will recall, we introduced the bill with something of a legislative experiment. Rather than going to the normal first and second readings, we introduced it after the first reading so that a legislative committee would have the full opportunity to actually shape the bill. In this way it would not simply be a matter of responding to a series of government propositions but would actually take a major role in defining and designing the elements it felt would be most important.

I thank the members of the committee on human rights and disabled people for their enormous amount of work, the number of hearings and the amount of time they have given. That applies to members on all sides of the House.

I also give my appreciation to the Secretary of State for Youth and Training and to my parliamentary secretary who have both worked very diligently in making sure the bill was again effectively presented to the House. At report stage we were able to get, as I see from *Hansard*, a very effective debate and response.

• (1510)

A good sign of the way that worked is when the opposition party presented amendments which improved the bill and we were prepared to accept those amendments and work with them so the bill would be a better piece of work. I compliment those members who have worked so hard on this legislation.

Bill C-64 has one fundamental purpose, to remove the systemic barriers that prevent people from going to work. We can put it all together in one sentence but since I have 30 minutes I will take more to elaborate.

What we really mean is that over the years practices, attitudes and conventional habits have built up in a wide variety of workplaces which have prevented people from using their God given talents and abilities not because of their merit but because of some label attached to them.

I am not referring to outright bigotry or discrimination but the kind of informal practices and rules that develop over the years, over generations, that simply build up a series of handicaps,

barriers and obstacles which prevents people in the workplace to get their full rights to participate.

Numbers of women, aboriginal people, disabled people and visible minorities have been denied equal open access to fully develop and explore their potentials in the workplace.

Ten years ago I had the privilege of establishing the Abella royal commission, headed by Judge Rosalie Abella from the court of Ontario, to look into this large question of systemic discrimination in the workplace. Justice Abella tabled a very historic report. Unfortunately by the time the report was tabled the people of Canada had decided in their own good wisdom to send me and a number of my colleagues on an extended sabbatical on the other side of the House. Therefore I was not in a position to fully implement those recommendations. It was up to the previous government to implement the recommendations of the Abella commission.

It brought in the Employment Equity Act which passed in 1986. It required employers in the federal jurisdiction that employ over 100 people to implement employment equity and to report on their progress.

If we look at the original Employment Equity Act, while it was full of wonderful language and high sounding objectives and phrases, it lacked some very major components. It was a form of legislated volunteerism. There was no enforcement. It was simply a good wish list of things people were allowed to do.

Therefore when it came time when we wanted employers to take positive steps to improve the access and openness of the workplace and they refused, there was nothing to be done. As a result there have been over the years a number of incidents in which employment discrimination has continued to prevail.

The other major flaw in the 1986 legislation is it did not apply to government. It was the classic case of do what we say, not do what we do.

It was in recognition of those two major flaws of the original bill that in the red book we put forward to the electorate in 1993 we committed ourselves to making major changes in the Employment Equity Act.

The legislation before us today on final reading is designed to meet those two major omissions. It is to fulfil the commitment we gave to the Canadian people in 1993 when they gave us a mandate to implement it. It is to give the Employment Equity Act some authority to carry out measures to reduce discrimination and to make it applicable to the federal government in its own workplace.

The bill increases the authority of the Canadian Human Rights Commission to conduct an audit of public and private sector employees to ensure they are in compliance with the principle of employment equity.

### *Government Orders*

• (1515)

It also provides that the Canadian Human Rights Tribunal, when needed, can in effect transform itself into an employment equity tribunal to guarantee that the legislation respects the rights of all Canadians regardless of whether they are employees or employers. There is a right of appeal.

[*Translation*]

This bill will have a positive impact on Quebec. More than 150 employers and approximately 350,000 employees will be affected by this initiative.

Those Quebecers will be entitled to a stronger system, with the human rights commission and a tribunal if necessary to ensure that employment equity is being implemented.

As well, application of employment equity measures within the public service will be fairer. It will give women, the disabled and other designated groups equity in employment, training or promotion. I feel that this represents a proper response to the demands of Quebec women and the needs of the disabled, aboriginal people and visible minorities.

It is my belief that the bill demonstrates the commitment of the federal government to take progressive measures for Canadians and for Quebecers.

[*English*]

Despite some of the comments concerning the bill, it is not about quotas. Let me make that very clear. That language was used in debate yesterday. It is not about quotas. In fact the legislation specifically prohibits quotas. Anybody who attempts to insert the notion that we are following in some cases the example of the legislation the Americans introduced 20 or 30 years ago is not being fair or straightforward when the word quotas is used since the act specifically prohibits them.

Neither is the bill about reducing qualifications to allow more non-qualified people to enter the workforce. It is a bill about lowering barriers, not lowering standards. That is the basic purpose of the bill.

We are attempting with this legislation to make sure the Canadian workplace fully reflects the richness and diversity of our population, that all individuals will have an equal chance of being considered for a job, a promotion or a chance to improve their specific place and status in the workplace.

The bill is not about replacing the merit principle with something else, far from it. I make the case it strengthens the merit principle by making sure in no uncertain terms that everybody who has merit will not be overlooked. Over the years people with enormous qualification, with enormous merit, with enormous sense of ambition and motivation never had the chance to fulfil that potential because in the workplace have been obstacles, barriers, filters and screens that oftentimes have been built up without people noticing they were there.

*Government Orders*

Sometimes qualifications were based on size. Sometimes qualifications were based on saying that women for example could not do certain physical tasks even though it had never been proven. Yet in the last few years in police forces, the armed forces and fire prevention forces women and men have been shown to be equally capable of carrying out the entire multitude of tasks required in those dangerous occupations.

• (1520)

Equity in the workplace means a better workplace. Study after study show that those companies that introduce equity as a fundamental principle in human resource planning become better companies; more productive, more competitive, more efficient, more effective.

I listened with some interest and read in *Hansard* some of the comments from members of the Reform Party about the legislation. I suppose if I were to summarize, and I do it with great hesitation because I do not want to put words in the mouth of the hon. member, but it basically says, let the market decide. Let it choose who it wants to use and what is best for it.

Some progress has been made. Some companies have moved forward and I give them full credit. However I say to members of the Reform Party that more is needed. Where we are now is not enough. I want to quote to members a couple of interesting comments. There are times when they may be tempted not to take my word as gospel, but let me try on them the United Nations report on development.

I quote from this year's report: "The free workings of economic and political processes are unlikely to deliver equality of opportunity". The market can do some things wonderfully well. It can make products, deliver services, make a profit, generate growth and jobs. However it is not very good when it comes to ensuring there is full equality of opportunity for everybody. That is why we have government, to provide a balance and make sure there are some rules, make sure that everybody is treated fairly.

The happy consequence of being a Canadian is that we have always found a nice balance between the public service consideration and the market consideration, that we find a way of working the two in tandem. I believe the legislation in Bill C-64 is a good example of that.

To make the point further, I quote from the Business Council of British Columbia, which is made up of senior business representatives from throughout the province: "Employers alone cannot achieve employment equity. Employers want to be part of the solution in partnership with government, unions, employee representatives, educational institutions and designated group organizations". When speaking, they used a very important word, partnership, a partnership to achieve equality.

If I had to put a label on this bill I would say that is what it is about; partnership to achieve equality in the workplace.

The reality faced by many women, members of visible minority groups, aboriginal peoples, those with disabilities is not the reality of the average white male when it comes to employment and earnings. We have been a privileged group for generations. As a result, other members of society have fallen behind.

Fifty-one per cent of women are employed in sales, clerical work and service positions as compared to 20 per cent of males. Women earn only two-thirds of what men earn, even holding education as a constant.

Everyone in the House, I am sure, was cheered by the recent United Nations development index which put Canada number one in the world on matters of literacy, training and education, investment in people and quality of life. When gender is factored into the equation we fall to number nine. It simply shows that something is wrong. This bill is designed to correct that.

I heard comments in the debate yesterday about visible minorities and that maybe they should not be included. Again, the facts counter that because the visible minority group, which on average has a higher education than the average Canadian, makes close to \$10,000 less. The correlation in that should tell us something. The workplace is not being fair, open and accessible.

• (1525)

We hear every day the eloquent words of the Minister of Indian Affairs and Northern Development of the plight of First Nations people whose levels of unemployment are sometimes 40 per cent, 50 per cent or 60 per cent and whose average income is less than \$10,000, which is one-fourth of what the average Canadian makes.

An article in today's *Globe and Mail* is headlined: "Canadian business chided for ignoring native market". Ms. Pamela Sloan is a principal in the Toronto consulting firm of Hill Sloan, which just published a report on corporate aboriginal relations. The article states that the public and private sectors have made successful attempts but it is not enough. She says to the business community: "You should introduce measures of equity because it makes good business sense to do it".

It was interesting to hear as we have gone through this debate how broadly recognized that fundamental fact is. Canadians have come to understand, whether they are in the public or private sectors, the need to address the systemic exclusion of individuals on the basis of gender, race or physical condition from the opportunities to grow, contribute and develop. They understand that this bill is an attempt to create a more level playing field for all Canadians.

*Government Orders*

I want to cite a statement made in the House. In a sense this gentleman is an officer of Parliament. We have entrusted to him the responsibility of overseeing human rights issues across Canada. That individual is Mr. Max Yalden. When challenged by certain members that this bill somehow is reverse discrimination and works against the interest of males, Mr. Yalden said that “far from falling behind, able-bodied males appear to be getting more than their proportionate share of hiring. Such data hardly convey a convincing portrait of reverse discrimination”.

This bill does not take away from some people to give to others, it simply opens it up for all. It ensures that there is fair and equitable treatment.

We should discard the mythology. It is time to get rid of further divisions by somehow putting over here the plight of a male versus the plight of everybody else. We are all engaged in the enormous task of ensuring employment for all Canadians. The workplace is going through a transformation unlike any it has gone through in the history of human kind. With new technology, global competition and varieties of change, it is tough out there. The only way to succeed is to make the workplace and the job market equally accessible to everyone so all those talents will be put to work. One group should not be put on the sidelines and treated differently.

People ask how do we succeed as a country? How do we meet the challenge of a new workplace and avoid the phobia and fear which the Jeremy Rifkins are talking about? I sincerely believe that in today's age the key ingredient which really makes this country tick is its human resources. I may be biased because my department is named human resources, but I feel privileged to be given that responsibility. I see it as such an important element in making this country work. That means everybody has to work—not 50 per cent of the population, not 75 per cent; everybody has to be given the chance to liberate their talent, to free up their creative potential, to give full open choice for them to make the kind of contribution they can make in the workplace.

• (1530)

I will digress for a second, if I might. A few days ago I was asked a question by the member from Regina about the statistics that were tabled last week by StatsCanada on the falling income of Canadian families. It is worth repeating. It pointed out that increasingly the falling income is a product of the increasing lack of participation of women in the workplace, single mothers in the workplace. Over the last several years that participation rate has dropped by almost 15 per cent. That is one of the most significant causes of the falling income of the Canadian family, in particular families headed by women.

We as a government are trying to turn around and devote our efforts to changing the basic structures to prevent that kind of decline. We are looking at a serious initiative on child care, trying to work with provinces and aboriginal groups. We are rewriting our employment legislation to make it more available for women coming back into the workplace to get the tools they need. We are looking at how we can better support young people to get back into the workplace.

That is the kind of response to our evolution, which is not to throw up our hands in despair, not to retreat into the den wardens of the past and try to hang on to the shibboleths of 30 or 40 years ago, but to try to say we can do it, we can make a difference, we can take initiatives and we can pass a law like Bill C-64. That is what we are all about.

There is an impression being left in this debate that somehow this is working against the interests of the private sector and that private enterprise is going rise up in revolt if this bill passes.

If we look at statements made before the committee that my hon. friend from Winnipeg North very ably chaired, look at the organizations that have supported this bill. The Canadian Manufacturers' Association, the Canadian Bankers' Association, the Canadian Chamber of Commerce told the committee that they were convinced that employment equity is actually value added. These companies told the committee that they had discovered that diversity pays a major dividend. It does not cost them money, it makes them money. It gives them improved access to a greater number of highly qualified personnel to choose from. That is what employment equity is about.

Why do we go off running after rabbit tracks and trying to create smokescreens and trying to create a sense that somehow there is this widespread apprehension? It is even interesting to point out that when we look at the debate generated in Ontario during the campaign about the impact of employment equity, most of the employers in Ontario said they want the bill. Do not get trapped by some ideology. Do not get trapped into imported arguments that are taken from some fundamentalist group in the southern United States that thinks employment equity is next to the devil. Our business groups are saying—

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Why make it a law then?

**Mr. Axworthy (Winnipeg South Centre):** Mr. Speaker, it is a little upsetting that the hon. member from wherever who arrived in the House about two minutes ago did not hear the first part of the speech where we pointed out why business said they need the law in order to make sure that everybody gets treated fairly.

*Government Orders*

• (1535)

I have heard from the hon. gentleman opposite, so let me give him a list of other companies from his own region that are endorsing it: Canadian National Railway, the Bank of Montreal, Sun Life, the Royal Bank of Canada, B.C. Hydro. Alberta Government Telephones is endorsing it. I do not know how far he wants to stretch the case, but by extension I suppose we could say that Ralph Klein is in favour of this, or at least his crown corporation is.

To make the point more directly, in a Compas poll that was done of Ontario companies when the debate was going on, only 8 per cent of Ontario companies said they would stop their programs if the employment equity law was repealed, and 68 per cent, more than two-thirds, said that they would continue with an employment equity program once it was established and they had learned the value of it.

There is a value in fairness. Canadians understand it, businesses understand it. The only people who do not seem to understand it are certain members opposite, who are still probably reading whatever strange imported foreign based literature they derive their ideas from. Perhaps if they could look at the Canadian case, look at the practicality of how it has worked, look at the value it has, then we might get more light and less heat from the members opposite.

I am going to speak for a moment to the members of the Reform Party.

**Mr. McCormick:** There are three here now.

**Mr. Axworthy (Winnipeg South Centre):** Three important members of the Reform Party.

I think it is very important that the members of the Reform Party understand there are things that government can do and must do well. When they said in their minority report—

**Mr. McClelland:** Mr. Speaker, I rise on a point of order. I assume that it is not customary to refer to the absence or the non-absence of members.

**The Speaker:** I did not hear anything about the absence or non-absence.

**Mr. Axworthy (Winnipeg South Centre):** Mr. Speaker, I am ready to address myself to the vast hordes of Reform members who are on the opposite benches. It is simply a function of education. There are times when I fall back into old habits of trying to say let us learn together in the House.

When they put out in their minority report their opposition based on a false premise, one has to take issue with it. One wonders, as we found today in question period, whether some members of the House actually read the legislation we present. We heard today from members of the Bloc that they had not read the bill on HRD. We tabled it four months ago and they got around to raising questions four months later, which has

something to do with a certain date at the end of October, I suppose.

Clearly Reform members have not read clause 6 of this bill: "The obligation to implement employment equity does not require an employer to hire or promote unqualified persons". With respect to the public sector, it requires that hiring or promotion be based on selection according to merit. In the report there are many references to merit being done away with and quotas being imposed, yet the legislation says the opposite.

Clause 33, which I know is way down the bill and takes at least five minutes to get to, reads: "The commission may not give a direction and no tribunal may make an order where that direction or order would impose a quota on an employer". Is that pretty clear, that no commission or tribunal can make any order imposing a quota?

Again, why does the Reform Party, in its members' speeches, its minority reports, in its public language, say that quotas are being imposed? Does it have a secret bill we do not know about? Has it written something we do not know about, which it is going to pop unsuspectingly on the Canadian public? It could be, but it has nothing to do with Bill C-64. It is important we understand that.

• (1540)

**Mr. White (Fraser Valley West):** Tell them about the RCMP, Lloyd.

**Mr. Axworthy (Winnipeg South Centre):** He is the one who calls the RCMP all the time, not me.

How much clearer can we be? When we ensure that all deserving people have more chance, more opportunity to apply for a job, get training, get a promotion, does that not mean a better achievement of the merit principle?

When we ask companies to examine their own assumptions about the tangible and intangible qualities it takes to do a job, when we examine what it is we want from our workers, how we can improve their skills, how we can ensure that there are not false barriers based upon old habits and old wisdoms impeding the development of that human resource in the workplace, does that not also improve the achievement of merit?

The employment equity bill is about making merit work. It is real and demonstrable in a practical way in the workplace. It is about opening doors that have been closed for far too long and for far too many people. That is why I believe Canadians support this legislation. They know that our society will work better if everybody has a chance to work.

I quote from a letter I received from a young woman who works in the construction industry. She has been having trouble keeping her job because only 2.4 per cent of construction workers are women. I should say by way of information that we have established a special program in my department called women in trades and technology. We have put together a council of employers across Canada to specifically promote internships

*Government Orders*

and apprenticeships for women in the trades and technology areas, where only two per cent or three per cent are represented.

This woman did not write to complain or to ask for special privileges. There was no special pleading. She simply wrote to urge me and members of the House to put an end to discrimination in her industry and other industries. She ended her letter by calling on all members of Parliament to pass Bill C-64: "When you review Bill C-64, think of my five-year-old niece, who wants to grow up to be a builder, just like me".

I invite all members on both sides of the House to join in the spirit this young woman represented. She has asked us to be builders, to build something better, something more open, something fairer, so that all Canadians, men and women, those with certain disabilities, those with certain colours of skin, those with certain handicaps that they have faced over time, can all contribute to the building of this country. That is what we are all about.

I believe this legislation, Bill C-64, gives us a tool to be a good builder, all of us. I hope all members will support this bill.

[*Translation*]

**Mrs. Christiane Gagnon (Québec, BQ):** Mr. Speaker, I am pleased to participate in the debate, at third reading, on Bill C-64, an act respecting employment equity.

As we have said many times before, the Bloc Québécois supports the principle of employment equity. It also recognizes the importance of this legislation, which must absolutely be effective.

Let us look at the events which lead to this bill. In 1970, in the wake of the Royal commission on the status of women, the federal government set up its first affirmative action programs. However, it was not until 1984, following the report of the Commission on equality in employment, better known as the Abella commission, that the foundations for the current equity policies were laid. The Abella report emphasized the need for special measures to ensure equal opportunities for all, regardless of one's gender, race, ethnic origin or handicap.

The current employment equity legislation, which was passed in 1986, applies to employers and crown corporations governed by federal regulations and employing at least 100 people. The act requires that employers improve job opportunities for designated groups, namely women, aboriginal peoples, persons with disabilities and members of visible minorities.

• (1545)

The act also requires that employers eliminate rules and procedures which adversely affect members of these groups, and that employers take concrete action to increase the representation of these groups within their organization. The current provisions also provide for the development of a plan stating the objectives to be reached during a given year, or in subsequent years, as well as a timetable.

Moreover, employers must file an annual report to the Department of Human Resources Development providing all the information relating to the implementation of the act within their organization. That essentially sums up the current legislation on employment equity.

Bill C-64, which is now at third reading, completely replaces that act. The main amendments are as follows. The act will also apply to the federal public service. The elements that must be included in business plans will be better defined. The Canadian Human Rights Commission is now responsible for determining employers' compliance with some of the provisions. It has the power to investigate. An employment equity tribunal is also provided for.

The bill as it stands today by the government is an improved version. During the first debate on this bill 10 months ago, I denounced some of its flaws. I am happy to note that the witnesses who appeared before the standing committee succeeded in convincing some members to improve the bill.

Nor should we forget the amendments proposed by my colleague from Hochelaga—Maisonneuve, some of which were accepted. Unfortunately, there were two with which the committee disagreed and to which I will get back in a moment.

Contrary to what my Reform colleagues claim, I think that a law on employment equity is both desirable and necessary. Let us listen to what Glenda Simms, President of the former Canadian Advisory Council on the Status of Women, said when she appeared before the standing committee last February: "We have been defending since 1975 the idea that the Employment Equity Act is a way to achieve equality for women in the work place. Over the past decade, the extent to which women, as a group, are facing serious and systemic inequalities on the labour market, particularly in terms of compensation, working conditions and job access, is explained at length in many reports both within government and outside. Women are not evaluated on the basis of personal merit, but rather their race, their sex and whether or not they are disabled".

Consequently, women are overrepresented in lower paying positions. Approximately 60 per cent of all women to whom job equity applies have clerical jobs and they are severely underrepresented in management positions. White males without disabilities still hold 78 per cent of management job in the public service.

*Government Orders*

About the impact of systemic discrimination against women, Ms. Simms said the following: "The cost of discrimination should not be underestimated. Ample proof has been given of the correlation between sex and poverty in Canada. Many studies conducted by the government confirm that women are poorer than men and that, among poor women, those who have disabilities, are immigrants or belong to visible minority groups, as well as native women, are the poorest".

It is not true to say, as my hon. colleague from Edmonton-Southwest and others suggested the day before last, that "it is reverse discrimination, that is means that one can get a job, be promoted or hired on the basis of physical characteristics instead of merit".

This reflects—please excuse my bluntness—a sexist and macho view of the situation.

It is a refusal to face reality, the everyday reality of thousands of Canadians and Quebecers, both women and men. I refer of course to those groups addressed by the bill: women, the disabled, visible minorities and aboriginal people.

This is the reality referred to by Ms. Simms and many other witnesses who came to represent their less privileged fellow workers.

• (1550)

A few figures clearly illustrate their demands. Statistics Canada indicates that in 1993 women working full time earned 72 per cent of what men earned. This is even the way it is at the present time in the federal public service, where women are earning 72 per cent of what men are earning. I trust that rectification of this situation within the federal public service will not be long in coming.

The average income of immigrant women workers, however, was 54 per cent of what immigrant males were earning, and close to 80 per cent of disabled women had an annual income of less than \$10 000. This is an alarming situation, therefore, and the way we must adjust our aim is to pass a law such as this. We are also aware that 75 per cent of the ten lowest paying jobs in Canada are occupied by women. According to the Council on the Status of Women, the proportion of women in the lowest paying jobs has increased four times more than their proportion in the best paying jobs. The explanation offered by the council is the division of work along gender lines, leading to an undervaluation of women's paid work, which naturally leads to salary inequities.

The women who organized the great march on Quebec City last spring were reminding us that this state of affairs, this inequality of earnings between men and women, compromises the economic security of women both now and when they retire. As for the other designated groups, we know from the figures of the Department of Human Resources Development itself that

they are characterized by a serious underrepresentation of aboriginal and disabled persons and a concentration of members of these groups in the less well paying jobs. The situation is apparently particularly acute for aboriginal people, whether female or male. This is why we need employment equity legislation.

Not content to denigrate the very foundations of employment equity legislation, our friends in the Reform Party blithely deny the harsh reality experienced by our fellow Canadians in the designated groups. Two days ago, my colleague for Edmonton Southwest said: "The premise is that somehow or other Canadians are a mean, regressive, racist, discriminating people. Canadians are nothing of the sort. We are not that. No such discrimination exists in the workplace". So they deny the problem.

"The workplace, particularly outside the federal government, is progressive. Industry leads. It is a totally unnecessary law". This is ostrich politics. We have to ask ourselves why a certain segment of the population refuses to acknowledge that their fellow citizens are victims of discrimination every day.

We have to ask ourselves if it is not because these people do not suffer the systemic discrimination repeatedly confirmed by studies in this area. As a general rule, white men do fairly well compared to other groups. So, contrary to what some people think, we, as a society, need a law promoting employment equity.

As I mentioned earlier, the existing legislation was lacking and needed improvement—hence the bill before us. In Quebec, women have a promise from government that a proactive bill on pay equity will be tabled soon. Under that bill, business will have to create a balanced mechanism for evaluating jobs, in order to identify those who are relatively underpaid. Business will then have a period of time to adjust salaries.

The following sentence in a document produced by the committee for the bread and roses march made it quite clear: "Whereas discrimination is not the exception but the rule and affects all female workers, the adoption of pro-active legislation is necessary". Reform members, if we go by their speeches, have no understanding of the situation in Quebec or of the kind of society we want to become. If they want to try their luck in Quebec, they will have to adjust their thinking to the situation in Quebec and consider the social values we want in our society.

• (1555)

Of course this was about wage equity, while the bill before the House is about employment equity. In fact, the two are closely related. In both cases, the purpose is to close the gap between men and women, between white people and members of visible minorities, between persons with a disability and those who have none. It is about social justice and government policies that will help to deal with the problem.

As I said at the beginning of my speech, the Bloc Québécois proposed two amendments which unfortunately were not accepted by the committee and which, in our opinion, would have improved the bill.

The first amendment concerns clause 14 of the bill and deals with the preparation of the employment equity plan. We would have preferred to see the plan prepared jointly by the employer and the employees. As the bill stands, the employer only has an obligation to consult with the representatives of the employees which, we feel, falls far short of being satisfactory.

Spokespersons for the National Association of Women and the Law also pointed out that opportunities for employees, their representatives and members of designated groups to participate in the development and implementation of employment equity plans were few and far between. We deplore their absence from this process.

We also suggested that the employment equity plan be posted in public areas in the workplace, for the purpose of informing employees.

Finally, we believe that it would certainly be in keeping with the intent of the legislation for the tribunal, consisting of three persons, to have at least one representative for workers and designated groups. I think it is essential that one of these persons should be designated to sit on the tribunal. The National Association of Women and the Law expressed its surprise that the bill did not contain a measure to that effect.

The association also recommended that both compliance officers and members of tribunals should be specialized in employment equity and represent designated groups.

This would be, to use a familiar phrase, putting your money where your mouth is.

The stakes are high, for women and for all designated groups. Ms. Simms, president of the now defunct Advisory Council on the Status of Women expressed it very well in her presentation when she said in concluding that the council encouraged the government to follow the recommendation to ensure that employment equity succeeded in giving women the opportunity, free of prejudice and sexism, to prove themselves on the labour market and, at the same time, to show that they have a right to dignity, respect and equity in our society. This is just as true for the other designated groups. What is good for women, is also good for aboriginal peoples, persons with disabilities and members of visible minorities. We must have this awareness.

### *Government Orders*

I therefore invite the members of this House to support all measures of social justice that help reduce the gap between the most disadvantaged and the most affluent. It is unfortunate that we are still debating the passing of such legislation when, in my opinion, our energies would be better focused on implementing corrective measures to ensure that the target groups achieve equality one day and that discrimination becomes a thing of the past.

It should be our hope that everyone has access to well paid work, that no one has to face discrimination and that working conditions are adjusted for certain people to enable them to grow in the workplace. We should also aim for equality of opportunity and employment equity.

In closing, I would like to ask the government how it will enforce such a law, which is praiseworthy in itself? Having participated in the Beijing conference, I know the government has announced that a strategy will be established to evaluate, according to the sexes, all policies to be made, department by department.

• (1600)

Therefore, with the new social program reform, which has not yet been announced but will probably be announced after the referendum, I would like to know whether the impact of such a strategy, of such a social program reform act, has been assessed and how this strategy will affect people. It seems to me this is only natural. We all know that, with the upcoming social program reform act, women, people with disabilities, members of visible minorities will be the ones who will have to pay for all the cuts to be made in the public service. So the bill is praiseworthy, but will the government's efforts be equal to this legislation?

[English]

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, I have listened attentively to the dissertations by my hon. colleagues opposite.

At the outset, I want to make it very clear on behalf of my party that we do not ascribe any negative motive to the Liberals for bringing this legislation forward. As a matter of fact, we think they probably in their heart of hearts think they are doing the right thing. We just think it is stupid, unnecessary and counterproductive.

We do not ascribe any motive that would be negative to them other than the fact that in their heart of hearts they wished they lived in a perfect world but we do not. We cannot make a perfect world through legislation. It might be possible to advance the world to perfection through education, but there are some things in life which just plain cannot be satisfied through legislation and this is one of them.

Regrettably, the underlying foundation of employment equity or affirmative action in our country presupposes that Canadians in some way or another are now, have been and will be a

*Government Orders*

systemically meanspirited lot of people who discriminate against others. That is not true. It is not the case.

Earlier this afternoon the hon. minister opposite made reference to members of the business community being in favour of employment equity and that those who came to the committee said so. When people are invited to make a submission before a committee on something like employment equity, what are they supposed to do? Are they supposed to say that they do not believe in the notion of employment equity and that they would just as soon discriminate against people? That is just not the case.

Our country's business community is very progressive. It is way ahead of the government. As a matter of fact, the average business has never seen a visitor from the employment equity police for the legislation that is now in place. Most Canadians, including most Canadian businesses, do what they do out of enlightened self-interest. As I mentioned the other day, there is nothing wrong with enlightened self-interest; it gets the job done.

In my few minutes today I will try to rebut some of the arguments made in favour of affirmative action or employment equity and also to give a sense of what this legislation might mean as it gets its iron grip on Canadian society.

The most significant provision of Bill C-64 results in the legislated mandate of affirmative action for the federal public service, including the RCMP, the military, public security agencies, federally chartered businesses and any business of 100 or more employees that does business with the federal government. That is quite a collection of people. Imagine the number of equity police that will be required to police that to make sure it is working.

The nature of this proposed legislation is intrusive into the marketplace. Under the proposed legislation an employer is obliged to submit an employment equity compliance audit by an officer acting on behalf of the human rights commission.

• (1605)

Based on the results of such an audit, the Canadian Human Rights Commission may direct that an employer comply with the provisions of the Employment Equity Act. Failure to comply with such a directive renders an employer subject to a fine at the initiative of the minister responsible for the administration of the Employment Equity Act of up to \$50,000. The responsible minister has not yet been determined but we assume it will be the minister of human resources.

It is important to note though that the term employment equity will be heard from the Liberal side and the Bloc, but you will hear members from this side using the term affirmative action. Liberals are slow to use the term affirmative action because that term is not particularly well regarded even by those who were

purported to have been helped by affirmative action 30 or 40 years ago primarily in the United States.

In the last election in Ontario, the notion of affirmative action was roundly discarded when the New Democrats were thrown out of office by the Conservatives. They said in large part in their election mandate that they were going to get rid of the employment equity law.

That really causes one to wonder why the Liberal government opposite would introduce this legislation at this time. Giving credit where credit is due, the Liberals believe in their heart of hearts that what they are doing is the right thing, that they will go ahead regardless. Dam the torpedoes because the torpedoes surely will be in the water at the next election when they are trying to explain why they introduced reverse discrimination and codified it throughout the land.

Through this legislation the Liberals will have planted the seeds of resentment that will burn in the bellies of the thousands and thousands of people who will be denied opportunity that is rightly theirs. They will be denied that opportunity because there is a quota for others determined by race, by gender. People will look at that and ask: Is this a free country? Is this what is meant in article 15 of the charter of rights and freedoms where it explicitly states that all Canadians are equal regardless of race, creed or gender? Of course the next paragraph says, except for designated groups, which then allows legislation of this type to come forward.

The foundation for the notion of affirmative action versus employment equity was really made about 10 years ago by Judge Rosalie Abella. The royal commission recommended employment equity legislation rather than affirmative action legislation because affirmative action and the term affirmative action had been so widely discarded because it just plain does not work.

It is important to keep this in mind. You can dress this baby up any way you want but it does not matter what kind of cook you are, you cannot make mutton taste like lamb. If it is not lamb, it is never going to be lamb. You cannot dress it up in any way. It is a tough old bird that is not going to fly.

There is a suggestion from this side of the House that employment equity or affirmative action legislation really does involve social engineering and forced acceleration of the effects of demographic change. I am going to present an interesting set of statistics.

Canada's demographics are changing rapidly. The make-up and composition of this House is not representative of the changing demographics of our country today. If we look around us in the House, the vast majority of people representing constituencies of the Liberals, of the Bloc and of the Reform Party are white, middle aged males. That is not our fault; it is changing. It is changing slowly, but it is changing.

*Government Orders*

• (1610)

According to the 1991 census, 9 per cent of Canadians aged 15 or over, or 1.9 million people were visible minorities. Of the 9 per cent or the 1.9 million people who were visible minorities in Canada, only 15 per cent were born in Canada. Very few of the visible minorities that live in Canada today were born in Canada. Thirty-five per cent of the visible minorities in our country have arrived since 1983. Sixty-seven per cent of all visible minorities in Canada have arrived since 1972.

In a relatively short period of time in the 130 years or so that Canada has been a nation, the changing demographics of our country in visible minorities has only really been apparent in the last 30 years. To suggest that there is systemic discrimination in our country is wrong. We have not had the chance to have systemic discrimination.

The demographic composition of employees at all levels in a country which is 128 years old cannot be radically changed as a result of demographic social change over 30 years, and most significantly within the last 12 years. These changes will occur, but it will take at least one or two generations, if allowed to occur without legislative compulsion. As I said before, if we look at the demographics of the House of Commons, we will see that is the case.

Attempting a statistical matching for equity purposes, that is,  $x$  per cent of a particular race means that  $x$  per cent of that race must be in an occupation for there to be equity, involves the unreasonable assumption that the extent of association to Canada and the extent of Canadian work experience are irrelevant to workforce entitlement or promotion considerations. Does it not make sense if people have been in Canada and have participated in the labour force that their participation rate and their advancement rate would be higher based on the amount of time they have been here or their familiarity with Canada?

That does not mention the fact that all of the government agencies covered by this bill and many private contractors are covered by unions in which people have problems moving up and out and being hired or fired based on the unions. It has nothing to do with management, it has to do with the union. It has to do with whether a person is in the door first.

Let us talk about goals and targets. Are goals targets and are they quotas by another name? Exception was taken to the fact that members on this side of the House referred to goals as being quotas. Under the Employment Equity Act an employer is not required to hire or promote unqualified persons. It says that right in the legislation and I acknowledge that. Employers are not required to hire or promote unqualified persons or to create new positions in the workforce. The Canadian Human Rights Commission cannot impose a quota on an employer where a

quota is defined as a requirement to hire or promote a fixed or arbitrary number of persons during a given period.

However, the other shoe is about to drop. In circumstances where under-representation of designated groups has been identified, the employer is required to prepare a plan in which short term numerical goals for hiring and promotion of designated groups are established plus longer term goals for increasing the representation.

• (1615)

What a minute. Just a second. Hold it. Did I not just say the act says they cannot have quotas? Wait a minute, it does say they can establish numerical goals. But what is a numerical goal if not a quota?

If in the opinion of the human rights commission investigator an employer has not made reasonable efforts the employer can be fined \$50,000. It sounds like a quota to me. If it looks like a quota, sounds like a quota, acts like a quota and the results of it are like a quota, the chances are it is a quota. It does not matter whether we call it employment equity; it is still affirmative action. It does not matter if we call it a goal or a numerical target. If it restricts the number and the access by number, it is a quota. That is all it can possibly be.

Just in case there is a possibility someone thinks that quotas are not already in force in the Government of Canada hiring practices, just try getting hired by the RCMP, as a constituent in Edmonton tried. Barry Ceminchuk who lives in Edmonton called me and said: "Please talk about my problem. I wanted to get a job with the RCMP. They will not even take my application". The RCMP will not even take it and he has done some digging.

This is information from the employment equity guide from the Department of Justice. Is that not amazing, there is an employment equity guide from the Department of Justice.

For those of you out there in television land, when the census comes next time and you are wondering why they are asking what race you are, all of a sudden the light will come on. The reason people want to know your race is so they can check out demographically whether or not the companies in the local areas are hiring enough people of the various races located in that geographic area. That is why that question is there.

This is from the Department of Justice, and we do not have quotas here folks, but we do have employment equity targets. In the spring of 1991 Treasury Board introduced a new target setting strategy as a means for achieving the equitable representation and distribution of designated group members in the department. The new strategy is flow based, which means that it focuses on an equitable share of recruitment and promotions of designated groups.

*Government Orders*

It goes on to list the groups and then states what its non-quota goals are for women. For scientific and professional: recruitment, 43.8 per cent; promotions, 43.6 per cent. For administrative and foreign service: 39.9 per cent for recruitment and 66 per cent for promotions. If you happen to be a woman in the Department of Justice in an administrative or support position, you have it made, but you had better not be male because women are going to get 93 per cent of the promotions.

We hear clapping from the opposite side. It has nothing to do with whether they are the best qualified but they are going to get it because of their gender. That is absolutely wrong.

My daughter is a totally capable person in her own right. She just goes up and down a wall every time somebody thinks that she has got somewhere or she has a job because she is a woman, because of employment equity or affirmative action. She is an electrical engineer and works in a male dominated field. My daughter achieved what she achieved because she is a damn good electrical engineer. It has nothing to do with the fact that she is a woman. It has to do with the fact that she is a damn good engineer. She just goes crazy when those feminists say she is a victim. She is not a victim.

• (1620)

In any event let us keep talking. Let us talk about qualified versus best qualified. The legislation says in clause 6 that an employer cannot be required to hire or promote unqualified persons. However, the other shoe drops. At the same time, an employer is not free to hire the best qualified as a matter of course. The concept of best qualified does not reflect systemic prejudices. Subjectivity in hiring is largely eliminated under this legislation. Attitudes cannot be legislated.

I am getting a fair amount of static from my friends opposite. They are most uncomfortable because they will soon be standing to justify this draconian legislation.

**Ms. Clancy:** I am just as comfortable as I can be. You have no idea how comfortable I am.

**Mr. McClelland:** They are going to try to make this turkey look like a chicken and they are going to have one heck of a time doing it. I wish them well. When they take this boat in the next election, there are going to be torpedoes coming at them from every direction.

Part of me is saying that I cannot wait to see this legislation get off the ground because the government is going to have to live with it. It is like the dog that chases a car: what does he do with it when he catches it? My friends opposite are going to catch this car at the next election.

Let us talk about statistics and the employment equity legislation and the supposition that it is grounded on unreliable statistics. Much of this requires self-identification. The affirmative action police will go into a place of business and pass out a form to be filled out. People will be required to self-identify. Anybody who is going to try to get a job with the government now has to identify their race or whether they are part of a minority group. It is all part of the legislation.

The employment equity police are going to require people to identify themselves. I do not know if the House of Commons is trying it because it is such a progressive place or whether it is test legislation. At the time this was done there were 1,700 employees in the House of Commons. The response rate was 23 per cent and only 50 of those respondents identified themselves as belonging to a designated group.

People do not like to self-identify. As a matter of fact that was indicated in the Department of Justice paper I referred to a little earlier. It talked about the effectiveness of self-identification.

Let me quote from the Department of Justice employment equity guide: "The effectiveness of the self-identification process is questionable. Treasury Board is currently reviewing the process to improve it. There will always be a certain number of people who choose not to identify themselves as members of a target group for various reasons. One of the strongest reasons is the concern about being labelled a token employee and not seen as someone hired for their qualifications or because they have earned the position". This is from the Department of Justice.

Whoever drafted this legislation over in the Department of Justice must have been popping Tums all day. It must have been a long, hard day at work.

Interestingly, there was a 30 per cent increase in Canadians reporting a disability between the 1986 census and the 1991 census. We have to ask why in a five year period there would be a 30 per cent increase in the number of people reporting themselves as having a disability. Why has this identification occurred, particularly in view of the incentive to falsify self-identification surveys? I know that might sound kind of meanspirited but there is the potential for people to self-identify themselves one way or another in some of these surveys in order to gain an advantage in promotion or hiring.

• (1625)

**Mr. Bevilacqua:** Come on.

**Mr. McClelland:** Now that might happen. Just imagine. There are people out there who might just say: "Gosh, how am I going to go about getting myself a job here? I know I have the same qualifications as the vast majority of other people that are applying. How am I going to get a job? I know what I might have to do. I might have to self-identify myself into one of these groups".

This brings to mind an anomaly in the whole notion of visible minorities and disadvantaged groups. Based on statistics obtained from Statistics Canada we know that Japanese Canadians have among the highest incomes and the highest education levels of all Canadians, yet they would qualify under this legislation as a disadvantaged group. Figure that out. Does that make any sense?

There is deafening silence opposite. Give them a minute to think about it. We have a demographic group in our country that has the highest single average education, the highest single average income, but members of that group qualify as disadvantaged because of the colour of their skin.

**Mr. Bevilacqua:** What is the story with visible minorities?

**Ms. Clancy:** Tell us about visible minorities.

**Mr. McClelland:** Hold it, let us go back one more. Let us talk about the Portuguese Canadians. Interestingly, Portuguese Canadians do not rank at the same income level as Japanese Canadians, but guess what? They are not visible minorities because their skin is not a different colour. They are curse of curses, shame of shames, white. Therefore, they do not qualify under the statute. Does that make any sense whatsoever? That is the fallacy of creating legislation in a free and democratic society based on race, colour, creed or gender. There is no place for it.

What we should be doing in our society is making sure the human rights commission works so that when people are discriminated against for any reason, regardless of their sexual orientation, regardless of their colour, regardless of their gender, they have a place to go.

Let us talk about useless legislation in our country. Right here in the precincts of Parliament Hill there is 10 years and \$100 million of reconstruction going on. A woman was working on the construction site but she was fired because she was a woman and one of the men did not want to be working with her. She went to the human rights commission and was turned around and sent to the provincial human rights commission.

If we want to do something, we should get our act together and get a human rights commission with teeth. We should get some semblance of uniformity between human rights laws federally, provincially, municipally and human rights legislation in the workplace.

We could be doing something worthwhile. If somebody is discriminated against in this country, what do they do? They are absolutely lost. They go to these commissions and get in line. There is a line-up that takes six months to a year to get through. That is where we should be putting our effort. We could be educating people about why it is wrong to discriminate for any reason. We do not have to legislate this sort of thing.

### *Government Orders*

Then we have to make sure that people who are discriminated against for any reason have redress. They presently have no redress. It is not criminal. People can discriminate against anybody they want to; it is not a criminal offence. What one has to do is go through hoops in order to get some kind of satisfaction. We should be making that easy instead of doing this. It is ridiculous.

• (1630)

Since the human rights commission is the agency charged with the responsibility of enforcing this, how much money is going to the commission to enable it to do the job? What is being done to enable Mr. Yalden and the Canadian Human Rights Commission to do the job? Make a complaint to the Canadian Human Rights Commission today and see how long it takes to get satisfaction. Dump this responsibility on it and how long is it going to take to get from point A to point B?

Let us think about it. Think about the last bit of employment equity legislation that came through the House and see what has been done anywhere in the country to ensure that it has been done. Absolutely nothing has been done. What happens when persons who feel they have been discriminated against go to the human rights commission? They grow barnacles. Nothing happens there. Therefore, what do we do? We bring in more legislation to do nothing. The Liberals are just giving lip service so that they can further consolidate their position by saying: "We looked after all of these target groups. We are their great benefactors". The Liberals are not their great benefactors.

**Mr. Bevilacqua:** You are.

**Mr. McClelland:** Members opposite say, pejoratively I suspect, that I am. Mr. Speaker, I take that as a compliment because damned right I am. I will address these things honestly and through the front door. I will not do it sliding in the back door.

**Ms. Clancy:** I have never come in the back door in my life.

**Mr. McClelland:** Members opposite are heckling me. I am having trouble not laughing because some of their heckles are fairly funny. People listening to their televisions cannot hear what they are saying so I will have to try to ignore them.

I am going to finish my dissertation with a challenge to the Liberals opposite. They control everything in this House. They have a majority. If they do not want something to happen it is not going to happen. As a matter of fact it is not really the Liberals, it is the cabinet. It may not even be the cabinet, it might be the Prime Minister's office. It might not even be the Prime Minister's office, it might be one or two people trying to figure out how they can keep him elected.

However, whoever it is that pulls the strings over there, I offer those people a challenge: extend employment equity legislation

*Government Orders*

to the House of Commons. Why is the House of Commons excluded from this legislation?

**Ms. Clancy:** It works for me.

**Mr. Bevilacqua:** Are you in favour?

**Mr. McClelland:** The member opposite says to extend this. I offer them a challenge: extend employment equity legislation to the House of Commons.

[*Translation*]

**The Acting Speaker (Mr. Kilger):** It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Lévis—government subsidies; the hon. member for Halifax West—foreign affairs.

We shall now proceed to the next stage of debate, which will allow the hon. members a maximum of 20 minutes to speak, subject to a 10 minute period for questions and comments.

[*English*]

**Mr. Rey D. Pagtakhan (Winnipeg North, Lib.):** Mr. Speaker, I wish I had the time to debate my colleague point by point. It may not be allowed, but I will do it at committee where the member sits.

As the member of Parliament for Winnipeg North, I rise today to bring the sentiments of my constituents to the House during third reading debate of Bill C-64. Bill C-64, an act respecting employment equity, reflects the soul of our nation. It reflects our shared value of equality. It reflects our humility to recognize the presence of inequities. It reflects our ingenuity as a people to craft solutions to problems.

Systemic discrimination remains an endemic problem, a national malady, a barrier to equality in employment. In the 1960s discrimination in employment was seen as a human relations problem, the result of malice and intentional bias. Thus human rights legislation was enacted, but proved ineffective in addressing the overall problem. That is what the Reform Party would like us to do, retreat from our progress.

• (1635)

Pilot affirmative action programs on a voluntary basis were tested in the 1980s but they failed to achieve the desired results. Women, aboriginal peoples, visible minorities and persons with disabilities continued to be disadvantaged, experiencing higher than average unemployment rates and, if employed, were often concentrated in low paying occupations and were not represented in upper management.

It soon became apparent to the national leadership of the day that discrimination resulted not only from intentional bias, but also from outdated hiring practices and systems. In other words, a seemingly unprejudicial employment policy had an adverse

impact on job opportunities for certain individuals and groups because of their race, gender, colour and disability. The phrase systemic discrimination refers to this type of unintentional barrier to equality.

The persistence of this problem stirred the national consciousness at a time when a new era was dawning in Canada. In 1982 the Canadian Constitution was repatriated and the Canadian Charter of Rights and Freedoms was born.

Section 15, paragraph 1 of the charter speaks of the equality of Canadians before and under the law, in benefits and in protection. What a powerful national statement on equality, one in which we can all take pride.

No doubt conscious of the presence of unintentional bias in the workplace and no doubt aware of the need to eradicate it, the framers of the charter saw to it that any future Canadian government would not be handicapped in drafting programs to treat this societal ailment.

Hence, the addition of paragraph 2 to section 15. This additional paragraph gives government the authority to design programs aimed at creating an equal and level playing field for those disadvantaged in society. It gives Parliament the authority to enact laws aimed at achieving equality, not preference, not superiority, in employment for the disadvantaged groups, laws that will withstand constitutional scrutiny.

These two paragraphs in one section of the charter reflect Canadian ingenuity, reflect our genuine pursuit of equality and reflect our national foresight in social legislation. This section allows Canada to acknowledge, respect and accommodate the differences among her people.

Equality in the workplace does not and cannot be allowed to mean only identical treatment for all. Equality includes improving the condition of disadvantaged people or groups, which sometimes requires treating them differently to ensure equality. Thus there is maternity leave for women, to cite one example, but not for men.

Seizing on this national foresight now entrenched in the charter of rights and freedoms and wanting to redress systemic discrimination, the Liberal government of the day soon struck the Royal Commission on Equality in Employment. Chaired by Justice Rosalie Abella, the commission issued its landmark report, *Equality in Employment*, in 1984. It confirmed that discriminatory practices, intentional or not, yielded the same outcome: low rank, low pay or no job at all.

It confirmed that certain systems and practices unwittingly may have adverse effects on certain groups in our society. Therefore it prescribed a system based approach to remedy the situation. This ultimately led to the enactment of the current *Employment Equity Act* in 1986. This law has helped advance equity in employment, but not far enough.

The current federal government knew this before it took office in October 1993. It therefore sought and was given the mandate by the Canadian people to extend coverage of the act to the federal public sector and to include practical enforcement mechanisms. The government wanted to fulfil this mandate in a fashion that will further advance equality in the workplace without adding an onerous burden on employers and businesses.

• (1640)

Bill C-64, tabled in the House last December 12 and amended in committee and at report stage fulfils our national agenda. I was privileged earlier this year to chair the Standing Committee on Human Rights and the Status of Disabled Persons which conducted a full review of employment equity and obtained input from Canadians from coast to coast.

We heard from 52 associations and individuals and received 18 written submissions. The views of employers, labour organizations, designated group organizations and many interested Canadians were fairly represented in the evidence before the committee.

I am honoured to share with my colleagues in the House, my constituents and other fellow Canadians some of what we heard from witnesses.

Says the Congress of the Assembly of First Nations Chief Mercredi: "Although a lot of times Canada is presented as a nation that believes in equality of opportunity, when you really address the country there is no equality there for aboriginal people".

Says the Congress of Aboriginal Peoples: "We point out the high participation rate in the workforce of our people to stress that aboriginal people want to work but the structure of the Canadian economy seems to leave them on the outside looking in".

From the National Association of Women and the Law: "A rather bleak picture of the employment and economic situation of women is evident at a glance. In general, women occupy most of the short term jobs and are clustered in low paying services and administrative support work positions".

Says the Canadian Ethnocultural Council, a coalition of some 37 national ethnic groups around the country: "The reality now is the visible minority population labour force is under utilized. That speaks to the economy of Canada and to the future of our country".

From the Canadian Paraplegic Association: "Clearly for people with disabilities there are still numerous barriers to employment—until more attention is paid to education, training and skill development for persons with disabilities, reasonable

### *Government Orders*

representation in the Canadian work force will continue to be an illusion".

Clearly in this body of evidence, only a sample of many, we can see the plight of disadvantaged groups.

From the Canadian Labour Congress: "By ensuring the diversity of the Canadian population is reflected in all employment areas under federal jurisdiction, the Government of Canada is creating an enriched work environment".

Says the Canadian Security Establishment: "I am pleased to advise that the establishment feels it can comply with the requirements of the bill without special consideration".

Says the RCMP: "Under the recruiting process, what we would do is hire the best and highest rated persons from all groups" in compliance still with the Employment Equity Act.

Says the CRTC: "If the ultimate goal was to sensitize people so they would do these intelligent things instinctively—then we are definitely going in that direction".

From the Canadian Bankers Association: "Canada's banks, and I speak most particularly for the six major banks, have been committed to employment equity objectives since the current act was passed in 1986. We think employment equity not only has had a positive impact on the way our organizations manage their work forces but also it has proven good for business.

Let me quote from Mr. Alan Borovoy of the Canadian Civil Liberties Association: "The idea then in setting numerical goals is not to play catch up. You do not have to ask to get to the same balance as the rest of the community. You set the goals in order to pressure the employers not to discriminate. That is the objective of the setting of the goals. You choose a numerical target that would accord with how many the employer would get if he recruited vigorously, set fair job standards, and at the end of the day did not discriminate improperly". That is from the Canadian Civil Liberties Association leadership.

• (1645)

The chair of the Canadian Human Rights Commission, Max Yalden, stated:

—let me make it clear that employment equity is not about quotas. A quota is an arbitrary number of positions in the workforce that must be filled regardless of whether qualified candidates exist for the jobs.

I hope these testimonials will convince even the doubting Thomases from across the floor that the disadvantaged groups, their advocates and civil libertarians of renown are not the only supporters of Bill C-64. Employers from all sectors equally praise the bill. They recognize that equity in employment enhances productivity and business and inspires initiative and creativity.

The Minister of Human Resources Development has already refuted the myth the Reform Party wanted to propagate about

*Government Orders*

qualifications, merit and quotas. Those issues have been dealt with by the bill. For the sake of time I refer the hon. member opposite to the bill to see for himself his arguments are flawed.

During debate he told us he would object to census taking because it would ask for the individual's race. I am not afraid and I am not ashamed of my race. I am not ashamed of my heritage.

If he is really concerned that Canadians from the Portuguese community are now not covered under the act, that is true. If they are determined disadvantaged, then they will be given programs by the government. That is one beauty of having this type of census, so that we can get the facts and figures we need to formulate good, sensitive legislation which will answer the needs of Canadians.

I repeat the bill is not about redressing the past mistakes of history. It is about not wanting the past mistakes of history to be repeated on our present and future generations.

I heard earlier in the debate about wanting to hire the best qualified. I believe the Reform Party would be surprised at one of the witnesses from the Manitoba Telephone System, Ms. Katawne, director:

I would suggest that those people who believe it is a highly scientific art to determine who the best qualified person is are dreaming. They are in la-la land. That is not what happens on a selection committee.

We need an employment equity act.

In addition to making several clause by clause amendments to the bill, our committee issued a separate narrative report entitled "Employment Equity: A Commitment to Merit". I suggest that members who object to the bill give it careful study. I hope at that time they will have a change of mind and a change of heart. The report reflects the committee's confidence that Canada's new employment equity law will ensure the pre-eminence of merit and the elimination of systemic discrimination in employment practices.

What we have in the bill is a win-win situation for employers and employees alike. The report and the bill reflect the uniqueness of Canada as a leader among nations, committed to excellence in human endeavour and profoundly committed to social justice in general and to employment equity in particular.

Chairing the national hearings on Bill C-64 was a very meaningful experience for yours truly. It reconfirmed for me why I am so proud to be a Canadian.

• (1650)

Let me close with something I will always carry with me from my time as chair of the committee that studied this bill. It is a letter from the Filipino Technical Professional Association of Manitoba, an ethnic community to which I proudly belong.

The association stated that its members were proud of the efforts of the Canadian government to show the world that we as a society care about our citizens' human rights and shared the pride that the United Nations recognized Canada as the number one country in the world in which to live.

It emphasized there are already a lot of skilled immigrants and new citizens in Canada unable to get a job in their respective fields of training and experience because their professional credentials and training are not systematically given recognition. There is not even an orderly process for accreditation. Employers in a lot of cases insist on Canadian experience which also closes a lot of doors for employment. To the members of the association this amounts to no less than systemic discrimination.

I can certainly agree with its view that it is very distressing and undignified for a person to be systematically prohibited from practising his or her chosen career which he or she spent a lot of years mastering.

It recognizes, as I do, that employment equity may be one way of dealing with this problem, but again this will not work if systemic barriers are not dealt with.

Working together we can carry on this country's proud tradition of championing equality, creating opportunity and building a better country for us all. Employment equity is Canada's commitment to merit to social justice, a framework for awareness, a search for inclusion, a win-win for all. Canada has a duty to oblige.

I am proud to be part of a government that has taken the leadership. I therefore urge all hon. members from across the floor in the Chamber to join together and vote in favour of Bill C-64.

**Mr. Myron Thompson (Wild Rose, Ref.):** Mr. Speaker, I have been listening very intently to the speeches regarding Bill C-64. I am also finding myself agreeing not with the bill but with a lot of statements, particularly from the last speaker on the need to work on equality. Equality is essential. We want that. Everybody in Canada wants that.

I find it a little discouraging, however, when we come to talking about wanting equality. We want all to be Canadians. We want equality. That is what everybody wants.

Now we come to the time when we will have to ask the questions that may differentiate between equality and non-equality. That goes back to something talked about during the election. It was talked about by a lot of people who did not like hyphenated Canadians. They thought how great it would be if we could only come to the day when we can be Canadians and we do not have to be French-Canadian, Japanese-Canadian, aboriginal-Canadian, Colorado-Canadian, Irish-Canadian or whatever. They would really like to see that disappear. That message was loud and clear. Every member in the House has heard that.

I think people would agree that is what we would like to see. All of a sudden we see a piece of legislation coming out prior to a census asking “what is your race?” I have already talked to a lot of people who are concerned about that. They wonder what will happen if they write Canadian. These people could write hyphenated Canadian because they are not the same as me.

• (1655)

People in my riding of a different ethnic background are asking what they are supposed to write. A good friend of mine, a sheet metalist, asked: “Am I supposed to write African–Canadian because I am black?” He refuses to do that because he was born a Canadian. He said he will write Canadian and so will his kids. I admire that kind of attitude. There is a perfect example of an individual who would like to work toward being considered equal. Government legislation is requiring him to declare otherwise.

My colleague said the legislation is stupid. That is why it is stupid. It is forcing a lot of people to declare they are not Canadian because of a hyphen. They do not want to do that.

A lot of business people have told me they have practised this kind of legislation all their lives. The last thing they want to be is discriminatory against anyone. Everybody in the House can go to their ridings and talk to entrepreneurs of all kinds who have practised this kind of thing.

Of the 30 years I have been in Canada, 20 were spent in a supervisory position in which I had to hire people. On a number of occasions we made certain we did not mistreat anyone on the basis of gender, race, et cetera.

I recall several teachers who came from all walks of life I was involved in hiring who were excellent. It was long enough ago that we did not think about colour. We did not think about anything but their qualifications and their ability to perform. Now we are to force those same businesses that have those hiring practices to take into consideration colour, race and gender.

Here we go again. There are a lot of entrepreneurs out there who are up to their eyebrows in taxes and are having one heck of a time making ends meet. The biggest reason is government got into everything imaginable and interfered constantly with all the different regulations. Businesses have been made to become tax collectors through GST and other forms of taxes, which causes business to add costs and hire people to do the work for the government. Now we are to present them with more legislation.

I think all entrepreneurs all across the country of all races are just about fed up. They are liable to say to my friends across the

### *Government Orders*

way: “You blew it. What we do not need is more government involvement. We are grown individuals. We are intelligent. We are Canadian. We will manage our own affairs, thank you. Stay out, butt out, and get out of our lives”.

No, for 30 years I seen that the government knows better. The government knows what is good for Canadians, so it has to make sure it gets in there, gets involved and starts forcing things to happen that have probably been happening all along. If they have not been happening we have a mechanism to make certain that people are punished when they do break the law by being discriminatory. We have that. It is called the Canadian Human Rights Commission. No, the government knows better.

• (1700)

This has been the practice for how long? Remember the metric system? Not many people wanted it, but the government gave it to them whether they wanted it or not. Remember the language law? A whole pile of people did not want it, but the government gave it to them whether they wanted it or not.

Let us go back to just recently. Consider the GST. It could not have been more obvious. People did not want it, but we have it.

**Mr. McClelland:** But the Liberals want it now.

**Mr. Thompson:** The Liberals want it now, that is right.

We get promises about those kinds of things. The government tells the whole world, all Canadians, that it knows best. It will tell you how to run your business, what you have to do, who you have to hire and how you have to do it.

Who do we think we are? I thought we came here to govern, not to rule.

**Ms. Clancy:** They did not come here to govern. We came here to govern.

**Mr. Thompson:** That is right, Mr. Speaker. We came here to govern; they came here to rule. This legislation is a perfect example of it.

I think it is a shame. I think it is a shame when the Liberals do not even recognize that 70 per cent of the mothers who are working have declared that if they did not have to work they would rather be home with their children. Why do we not do something to make that possible? It may be a shock to our members across the way, a shock to the member for Halifax, that there are a lot of working mothers who would really like to be home with their children. Let us make it possible. Let us cut some taxes. Let us see what we can do to help them out; but no, bring in things like this because the poor dumb Canadian businessmen do not know what they are doing.

*Government Orders*

I looked at another thing that was handed to me. We are up to six now in my riding. I congratulate the government; it has made it happen. There are six individuals, including my 22-year-old son, who have gone south of the border because down there they can work and up here they cannot. These six individuals are young males, I would like very much to see remain in Canada and be Canadian. My son has to go south because he has wanted to be a cop since he was six years old, and you do not have a hope in the devil of being a cop in this country because governments are ruling like they are today. I thank the Liberals very much. They have confirmed that my son will not be Canadian because he cannot even get a job as a fireman, as a cop, as an EMP, nothing, none of those things, because he does not fit: he is white and male.

There are five others in my riding who have received their green cards and have notified me that they will be gone. Congratulations to the Liberals. They have chased some out. I do not suppose that is discriminatory, though. That is probably just good government. If that is good government, they can have it. I am sick of that.

During the next election, if the Liberals want to keep pursuing these kinds of ventures, if they want to keep telling businessmen and women that they do not really know what is right, that only we in Parliament know what is right, they will be in for a rude awakening. I am certain I am going to stay healthy enough to stick around and watch it. I will laugh and laugh, just as they laugh today when we make the comments we do with regard to the kind of legislation they bring down, legislation that causes racism and discrimination. It cures nothing. Wake up and smell the coffee.

**Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.):** Mr. Speaker, as was noted by my hon. colleague, the member for Winnipeg North, one of the groups that supports this legislation and has called for this legislation and has worked very closely with the government, the Department of Human Resources Development, the minister, the parliamentary secretary and others, a group with which I worked very closely on the area of employment equity when I was in opposition, is the Canadian Bankers Association.

• (1705)

When I list radical groups out there fighting for social policy and holding down the left wing in this country, the Canadian Bankers Association is not one that automatically leaps to mind. However, I congratulate the Canadian Bankers Association for its far sightedness. It has had in place for a number of years, certainly as long as I have been a member of the House of Commons, employment equity groups. It has met with representatives from the various banks. It has worked within its own organizations for the promotion of women, minorities, the disabled and so on, and has done a fairly good job.

Now I would not want my friends in the banks in Canada to think that I am saying they are absolutely perfect, because they have a long way to go. There are a number of things I could suggest to them in areas of employment equity where they could make their record better, but they have certainly been very much in the forefront.

I do not question the member's 70 per cent of working mothers. What I do question is the interpretation of the statistics. I have many friends with children of varying ages, and there is no question that for women the ability to juggle domestic and professional duties is fairly severe. The superwoman syndrome is very hard to deal with. When you have small children it is particularly difficult to spend a lot of time away from them. However, it is more difficult not to provide them with the necessities of life like food, shelter and other things.

If the hon. member is suggesting that we tell all mothers of small children to stay home and that we therefore will increase the national debt by paying a salary to mothers who stay at home, I find that very interesting. Along with the member's explanation of why a group like the Canadian Bankers Association supports employment equity, I would like to know whether the Reform Party is advocating that we pay a salary out of Canadian taxpayers' dollars to mothers to stay at home to raise their children. I also ask him how much he thinks that salary should be.

**Mr. Thompson:** Mr. Speaker, I am not sure how to answer that. I will start with the bankers.

Hurrah for the bankers. If they think this legislation and the practice of affirmative action is good, then let them do it. Nobody cares. If that is what they want to do, they should be entitled to. That is democracy.

What I do not think should happen is that somebody be forced into doing something that may not be the right thing to do in terms of the business, whatever that might be. I think we have to trust the judgment of employers to make certain they do not discriminate. If they wish to have a hiring practice that resembles employment equity or affirmative action or whatever, that is democracy. Let it be their choice. There is nothing wrong with that.

I do not believe that mothers with children who choose to stay at home want to be paid. I do not think that is their request, any more than they like to pay day care and babysitters. However, I do believe that if the government were listening to some of the tax proposals and tax incentives, there are things it could do that would make it possible. The government talks about spending more money by letting mothers stay at home. I do not understand. Let them work and you are going to spend money paying day care. Do not pay for day care. Save that money so mothers can stay home with their children and give tax breaks to the providers of the home.

• (1710)

Maybe the government has a problem understanding arithmetic, but it makes sense to me. It used to be that married couples with one staying home were able to do so, but now they are not able to do so because they are treated the same way as married couples who are both working.

We can do a lot in that area. I suppose that is another topic. Mothers do not expect to be paid. If we are going to give extra money to other women who can work, if we are going to pay others to look after their children so they can work, then if we want to be equal I guess we will have to do the same thing for the mom who decides to stay home.

There are not many things she said that made any sense to me. That is understandable, considering the source.

**Mr. Ron MacDonald (Dartmouth, Lib.):** Mr. Speaker, I do not know whether I am unlucky or lucky. Each time an issue dealing with things such as employment equity, discrimination or fairness in hiring comes up I always speak after the member for Wild Rose. What it means is that I normally do not have to worry about going back to a speech that somebody else wrote for me. He usually incites me to find things inside that are germane to my very being, that are at the core of what I am and the reason I got into politics.

Some of the nonsense I hear espoused by that member does a great disservice not only to the constituents he represents but to the party he belongs to and the Parliament he sits in. This member consistently and constantly gets up and shows that it is okay to speak in the Parliament of Canada—and I do not deny him the right or the privilege to do so—and pretend that things are other than what they are.

I listened to this member say “what about the white male?” He told everyone who was listening tonight that his 23-year-old mailman son, I think he said, had to go south of the border, had to get a green card. I am sorry for that. I hope that my son will be able to get employment in this country when he is ready to enter the labour market. I want to give him a wake-up call. There are many sons of people in my constituency whose colour is not the same as mine or the member for Wild Rose, whose native language is not the same as mine or the member for Wild Rose, whose fathers cannot get employment in this country, not because the jobs do not exist but solely because of the colour of their skin, the language they speak or their cultural heritage. That is the reality in this country.

If the member for Wild Rose wants to be shown, I will issue him an invitation to come down and I will walk him through the back streets of Preston, Nova Scotia, and he can meet the people who for generations have fought to be included. They have not

### *Government Orders*

asked to be given special treatment, they have not asked to be singled out. They have asked to be treated like his white male 23-year-old son to participate to the fullness of their ability in the labour market. That is what this is all about.

For the hon. member to deny this tells me that this individual and the fact that he can get up and speak the way he does in the House is more a testament to the tolerance of the democratic institution called Parliament than it is to the point of view he espouses.

The member opposite and the Reform Party get up and use this high office called Parliament, what John Turner used to refer to as the highest court in the land, and it is, to put forward points of view they know are dishonest, saying there is no need for the federal government to put out in policies and programs what it believes are standards that should be followed in its own bailiwick, with its own employees in the areas it regulates, in federally regulated industries.

• (1715)

To listen to the member and those of his ilk over there one would believe that everything is rosy, that the status quo is something not just to be maintained but to be heralded. This is the way we have done it. This is the way it should be.

**Mr. Thompson:** That is why you are doing it.

**Mr. MacDonald:** Mr. Speaker, it is not that many generations ago that blacks in Nova Scotia were not allowed to walk into theatres and sit with whites. It was not 100 years ago. It was in the early 1960s when that came to an end.

The member should look at history to find out when native Canadians, the first people in this land, were finally recognized as people and given the right to vote. That is within my generation and my lifetime.

**Mr. Thompson:** Mr. Speaker, a point of order. We are talking about employment equity. I have never once indicated in my life that there should be any form of racism. I am glad racism does not exist.

**An hon. member:** That is not a point of order.

**The Acting Speaker (Mr. Kilger):** Order. Clearly—

**Mr. Thompson:** I'm not going to take that crap.

**An hon. member:** Language, language.

**Mr. Thompson:** I never called anybody a racist at any time.

**The Acting Speaker (Mr. Kilger):** This is the House of vigorous debate. There are strongly held views on all issues. This one is bringing out some equally strong views. I say respectfully to the hon. member for Wild Rose that he was engaging in debate and did not have a point of order.

*Government Orders*

While I am on my feet, I would appeal to members on both sides of the House. On issues such as this which are critical and sensitive we should be respectful of the institution and one another.

**Mr. MacDonald:** Mr. Speaker, I want the record to show that this hon. member has not alluded to anybody in the House and indicated that he or she was racist or bigoted. I am not trying to impugn the motives of members of the House. I want the record to show that the reality is in Canadian society today. Although we have come a mighty long way, there is still a mighty long way to go.

It is well within the responsibility of good government to continue to push that agenda item, the envelope as it were, to ensure the standards that Canadians want in the private work place and in the government work place are continuously upgraded and pushed forward.

I merely want to tell anybody in the House who does not know or does not understand that inequality has been a fact of life since European settlers first came to Canada. That is the reality.

It does not mean that society in and of itself is racist. It does mean that sometimes the majority in society have to understand that there may be built in barriers to participation by minority groups. It has to be understood that those barriers may be systemic and that even people from those groups, if we open the door to full participation, may not feel that the door is open.

What this bill seeks to do is not to recast the dye. It seeks to build on the original legislation that was passed in the House to include more industry in the private sector and the federally regulated area. That is all it does.

It says to employers that there may be an imbalance in the labour market. We do not want them to set quotas or numbers because I do not approve of that. Minimums become maximums in this game. It seeks to establish that there is a problem and that industry can solve the problem themselves. That is all it seeks to do.

If members come to my area or the area of the member for Halifax in our part of Nova Scotia, there are real barriers to participation to a whole variety of groups. A company should not say it wants a black with a university education, and it does not matter what the grades are, any more than it should walk in and say that it does not want a black with a university education.

• (1720)

It means that we should look at the labour market in the area we are in. If it is obvious there are visible or invisible barriers to participation in that labour market, that we seek as a conscious policy effort to remove those barriers. That is it. There are no quotas. There is nothing nefarious in this legislation. It simply states that the federal government believes that wherever inequality exists, it has to consciously work to remove that

inequality. That is all that it says. In areas of a federally regulated workplace that is what it says.

I am not one of those individuals who believes there should be quotas because inherently it is wrong. Many times individuals are hired or are put on a board because of a quota system, either an official or unofficial quota. They could be the best qualified persons for the job, but their co-workers will not see them as a qualified individuals. They will see them as individuals that was put there simply because the number had to be filled for that particular race, gender or whatever.

We seek to break those borders down. This legislation goes in that direction. It states as a public policy that employers should work toward making sure, wherever possible, that their labour component is reflective, as best as it can be, of the mix in the labour market. In areas of large populations of blacks, indigenous blacks in Canada, the federal public service has to work toward making sure that they apply for those jobs and, if qualified, that they are hired.

Most of all, it should be seen that if they do apply for the job that they will be considered. The reality is that in many non-traditional roles for females in the public service, women do not apply any more because in the past they have been turned down so often.

If the employer is a crown corporation or a federal department and has a policy of encouraging the greater participation in the labour market of women, for instance, it sends a signal out that, yes, if the woman is qualified she can apply and should have every reason to believe that she will be judged based on her qualifications and will not be excluded based on her gender.

It is the same when dealing with blacks and it is the same when dealing with native Canadians. Go to some of the ridings where there are high numbers of natives in the population. Do the numbers in the population respond to the participation in the federal workplace? In some cases, yes, but in some cases they do not. This bill seeks to recognize that in areas like that where these factors are a reality, that a plan be put together to encourage individuals in minority communities to participate. That is it. It does not do any more than that.

It does not say we have to hire three white people who have Gaelic ancestry. It does not say that we have to hire 15 women. It says: "We want you to be conscious in the way that you run your operation that you should try to encourage participation from minority groups who traditionally might have been excluded". It is nothing more than that.

I am going to conclude my remarks because I know the member from Halifax is waiting to speak. I want to encourage this House to tone down the rhetoric a bit. I know I have been pretty upset today. I watch what I say in this place because I have a great deal of respect for the chair that I occupy. I may have certain strong opinions but I try to temper them when I stand in this place.

*Government Orders*

I have a great deal of difficulty after seven years here to look across in this place and hear people put things on the record that may incite, maybe not by design, but may add to a lack of understanding and a lack of conciliation among all Canadians and may take away from the desire of Canadians to be fair and reasonable.

The hon. member opposite who spoke before me indicated that this law means that we are going to see colour, that we are going to have to look for colour, we are going to have to look for language, we are going to have to look for gender and that in the past that was not the case. Unfortunately he might have been right. In the past nobody saw colour when he hired because he did not hire people of colour. Nobody saw gender when he hired because in many cases he did not hire women. Nobody saw linguistic groups because in the past he did not hire linguistic groups.

I look forward to the day when we do not have to worry about those factors. The reality is the problems are caused by the fact that those factors have been overlooked in the past. The only way we can rectify it is by public policy. This bill goes in that direction and I support it fully.

• (1725)

**Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.):** Mr. Speaker, I listened with interest to the last speaker and it sounds as if he has a valid concern. However, it seems to me that the legislation he is addressing is discriminatory and the government is trying to resolve that with a concept called employment equity.

I could be corrected on this, but I believe it was last year when we had recognition of women's day in the House, a women Liberal MP suggested that the House had a long way to go because over 51 per cent of the voters in the country are women but only 18 per cent of MPs are women. Where lies the problem? Women have the vote. Women have the intelligence to vote.

**Ms. Clancy:** Could I answer this?

**Mr. Gouk:** People have the right to run as candidates. A number of women ran for election and were not elected. I ran against two women in my riding. People have the choice to make that selection. Women have the vote the same as men and they make a choice.

The air traffic control system started talking about affirmative action because there were not enough women air traffic controllers. At the time I happened to work with a very competent female air traffic controller who was asked to participate in the affirmative action program to get more women into the air traffic control system. She agreed that she would take part in a program to attract more women to apply and to learn about the system. But nobody in the system, male or female, was prepared

to alter the practices so that a woman who was less qualified than a male candidate would be chosen.

Would the hon. member see a system where for the sake of balancing quotas, and there is no other way to put it, that the system has to take someone other than best qualified candidate because there is an imbalance in the precious quota system?

**Mr. MacDonald:** Mr. Speaker, I thank the member for his question. I believe it is a legitimate one.

I want to make two distinctions right off the bat. This bill is not about quotas. I do not support a quota system. It is not the right way to go. What I do support is a legislative framework that tells employers in the federal section, crown corporations and federal government departments that there is a reality out there. There are many members who are still in denial about the reality of barriers to participation in the labour market. They are real.

This direction in legislation I hope would never say someone has to be hired who is not qualified for the job. That is not what it is about. It sets in process a conscious mechanism so that a business, department or crown corporation can make sure that if there are no natives employed but they are 22 per cent of the population, that there must be some barriers to participation somewhere. If the barrier is simply that no native has been hired, then by setting targets for the participation of native employees sends out a signal.

But no, I do not agree. I would not support a bill that tells an employer to hire someone who is not qualified for the position. The member knows as well as I do, if you are dealing with an entry level or mid-level position, many times the minimum qualification for the job does not mean the applicant has to be a rocket scientist but may require a grade 12 education, someone able to lift a box, punch a typewriter or a keyboard, or operate a furnace. I do not know.

This bill does not compel anybody to hire an individual based on gender or colour.

• (1730)

It compels the corporate sector within the federally regulated area and the federal government to ensure that where those inequities are identifiable they have conscious programs to try to encourage the participation of qualified minority candidates.

It does not do anything other than that and if the member thinks it does I feel sorry for him. I ask for him to reread the legislation because I think he is off in a direction not consistent with the goals of the bill.

**Mr. Ian McClelland (Edmonton Southwest, Ref.):** Mr. Speaker, I believe that when the member opposite says he does not believe in quotas he is quite sincere. It does not matter how it is dressed up. If there is a numerical target that is a quota. It does not matter how it is dressed up, it is a quota.

*Government Orders*

I ask the member opposite to respond to two brief questions. In his comments earlier the hon. member said it was wrong that a woman should not be able to get a job because she was a woman. Is it also wrong that a man should not get a job because he is a man?

The Department of Justice in its employment equity guide-book uses an employment equity target with a table that specifies the following. It will recruit 2.2 per cent of aboriginal peoples with promotions at 1.1 per cent; 2 per cent of persons with disabilities with promotions at 2.8 per cent; 4.4 per cent of visible minorities with promotions at 2.7 per cent of the total staff. If these are not quotas, what are they?

**Mr. MacDonald:** Mr. Speaker, I do not know what the members opposite do not get. This is a very simple piece of legislation. There is a history to this legislation. It is an amendment to an existing act. I cannot recall anybody contacting my office in the last seven years and complaining that the federal government through the existing employment equity legislation was excluding anybody qualified from participating. I have not had that and I have a lot of public servants in my area.

There are many people who do not get a job and run out and say there was a black hired and they must have been hired because they were black. There are plenty of minorities, black, linguistic, there are many women who in the past have not been hired not because they were not qualified but simply because of who they were, because they were females, because they were black, because they were immigrants or because they spoke a different language as a mother tongue. That is the reality.

This is not about quotas. I do not support a quota system. However, I will not as a federal legislator shirk my responsibility to pilot policy for the public sector which we are responsible for to indicate that it appears there is a discrepancy in the hiring patterns and policies of many government departments.

Either one subscribes to the fact that people of colour or women are unable to attain certain standards, which is why they are not hired, or one can encourage the setting of targets whereby the organization or the private sector company will examine whether its employees are reflective of the mix of the labour market it can draw from, and where it is not reflective to encourage that employer to set forth a plan to get participation by the labour market as close to the mix of the labour market by qualified candidates.

I do not agree with quotas but I do agree that we will get nowhere by going into denial and pretending there is equity in the workplace. There is not. This bill will help to establish that it is a priority for Canadians and for the government. I am proud to say I am a part of the government that has taken the initiative to put this back on the public agenda.

**The Acting Speaker (Mr. Kilger):** Due to a ministerial statement and responses earlier, Government Orders will conclude at 5.46 p.m., at which time we will proceed to private members' hour.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, when I look across the House it is interesting. I see more ties that bind us than divide us even on such a sensitive issue as employment equity, which we oppose.

• (1735)

The hon. member gave some very eloquent points on issues where we have a lot of commonality. We in this party deplore and oppose with every strand of our bodies discrimination against anybody. We would fight to a person against anybody who was committing these offences on our soil.

Therefore I find it amazing that the government wishes to put forth employment equity which by its very nature is discriminatory and against our charter of laws and freedoms.

The original ideals of employment equity, affirmative action of fairness, equity and a level playing are what we in this party are fighting for. That was the original intent. Unfortunately what has happened with employment equity is it is being distorted. It has been plasticized and distorted so it does not resemble its original.

Tragically employment equity now holds up that people will be advanced on jobs or acquire jobs on characteristics designed by the government to advance people. The characteristics have nothing to do with ability and merit but have everything to do with characteristics that have nothing to do with the important aspects of getting a job, merit and ability.

This in effect is discriminatory by its very nature because it is promoting people on non-objective criteria and it is also very harmful to the economy. It is also very insulting to the individual getting a job for characteristics that have nothing to do with their education, their ability or their merit. I do not think that was ever taken into consideration by the government.

I do not think the government has put itself into the shoes of those individuals getting jobs like that. Furthermore it causes divisions and discrimination within the workplace. That is not fair and it is not good for the soul of the country.

The logic of the new employment equity law is clearly a flagrant abuse of the charter of human rights and freedoms. If one looks at the charter one can argue quite persuasively that employment equity is discrimination and should be thrown out on that ground alone. In other areas of the world where employment equity has been put forth such as California and in the province of Ontario, it has been thrown out. Why has it been thrown in? It does not work, it is discriminatory and it causes incredible social divisions within the populations it is supposed to help.

That is not what we want in Canada. We want a country in which everybody is treated equally, in which people advance on merit and in which people can look at each other face to face as equals with mutual respect and admiration.

We do not want Canada to uphold policies that are divisive and which pit groups of people against each other. That has gone on for far too long. I challenge people in the government to go into the streets and ask people in the workforce about this. Tragically that is what has happened. We should not have that in such a beautiful country as ours, a country that has historically done an admirable job of merging so many ethnic groups in a peaceful environment. That is something all Canadians need to be proud of because very few countries enjoy that.

Employment equity also seeks to promote quotas. No matter what members of the government say on the other side, employment equity means quotas. It means numbers. Any employer will say that is what they are obligated to do.

The unfortunate thing that employment equity brings forth is the whole aspect of work for equal value. It is an artificial designation that tries to have the government determine what kind of work should be paid for equally with another disparate work. What kind of work is supposedly of equal value in an economy? The only legitimate place to decide what work should be paid for and its value is in a free market economy. That cannot be designated by government power. It must be decided in a free market economy. Anything less is extremely destructive.

• (1740)

Governments must argue for laws which are anti-discriminatory. The debate which took place a few moments ago involved my colleague and a member of the government. What struck me as very interesting was that they were both arguing the same point. They both want laws which are anti-discriminatory and feel the government's role is to ensure those laws are on the books and that they are applied.

The second role of government is to apply equal opportunity. It is imperative, particularly for those most dispossessed in our society, to have equal opportunity. That is one of the failings we see. Many people who are in the lower socioeconomic strata do not have that opportunity. It is important we create that opportunity so they can become the best they can become. That is the legitimate role of government. We in this party would strive very strongly for that and we would help government members to put forth strong plans and strong legislation to create the greatest opportunities for people.

### *Government Orders*

The other aspect is to create fairness. It does not matter whether a person is black, brown, polka dotted, aboriginal, male, female, Jewish, Christian, Muslim or Hindu. What matters is that the laws and the opportunities to get jobs are applied equally.

The hon. member brought up the point of people applying for a job and being discriminated against. We completely agree. We are arm in arm with enforcing those laws so that when a person applies for a job they are treated on their ability and their merit.

The other role of government is to create skills. Tragically we saw that money was pulled away from post-secondary education very recently. We understand very clearly the situation all governments across the country are in with fiscal problems. There is a way around that. We can cut from the federal budget but give the provinces the ability to raise the moneys themselves for education. We cannot build a strong economy and provide individuals with the skills necessary for them to get jobs in the 21st century if we cannot make educational opportunities available to them.

The single most important determining factor in getting a job is post-secondary education. It is important for us to support the post-secondary educational facilities so they understand what the needs of the economy will be in the future. We must provide them the ability to communicate those economic needs to the students, particularly when they are in high school, so they can plan for the future.

I hope we do not pursue employment equity. It has been a failure in other parts of the world. It is discriminatory. It is a tragic example of Orwellian social engineering, a type of social engineering we do not need.

We are very sensitive to the needs of the disadvantaged. The hon. member mentioned the plight of the aboriginals. I have worked with many aboriginals under the most tragic and harrowing circumstances. It breaks my heart to see what they have to endure. It is very important for us to understand that historically we have created an institutionalized welfare state in which the souls of these people have been broken. It is important for us to address their needs in a sensitive fashion and to provide them the skills and opportunities to enable them to take off the yolk of poverty and discrimination which they have endured for so long.

However, it is not the job of government to push people into jobs based on their characteristics. I hope the government will take this to heart. I hope the minister of aboriginal affairs will engage in activities which will help these people help themselves. I hope we can create a country that is free of prejudice and full of opportunity, that makes sure that Canadians are treated equally and we can look at each other face to face as equals in an environment of peace and harmony.

*Private Members' Business*

I know we in this party would like to stand together with all members in this House to ensure that legislation is effected to enable all Canadians to live in that environment.

**The Acting Speaker (Mr. Kilger):** It being 5.46 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

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## PRIVATE MEMBERS' BUSINESS

[English]

### UNDERGROUNDECONOMY

The House resumed from September 27 consideration of the motion.

**Ms. Susan Whelan (Parliamentary Secretary to Minister of National Revenue, Lib.):** Mr. Speaker, it is a pleasure to speak today on Motion No. M-382 introduced by the hon. member for Mississauga South.

The issue of the underground economy is of concern to me and should be of concern to all Canadians. Most Canadians have been faced with an offer to pay cash for a lower price. When someone offers a lower price for cash and does not provide an invoice, at least two things happen: one, the consumer has no protection or recourse against poor workmanship; and two, governments lose revenue.

The greater the activity in the underground economy, the less revenue there is available to governments. Underground economic activity creates unfair competition for honest businesses. Jobs are lost and honest taxpayers are forced to pay more than their fair share of taxes.

I have spoken with the people of my constituency about the underground economy. Those who follow the law and pay their share of taxes do not like having to pay higher taxes because others are trying to cheat the system. Entrepreneurs who are trying to make an honest living say they do not like being at a competitive disadvantage to businesses and tradespeople who ask for cash payments to avoid paying taxes.

My constituents worry over how lost revenue is affecting the government's ability to maintain the social and economic programs so important to our well-being. When we accept the terms of a cash deal, what we end up doing is condoning a crime and promoting tax evasion.

As consumers, Canadians have to say no to offers of work for cash. It is in their interest to do so. First, work performed under the table means consumers are at risk if the work is poorly

performed or the result is not of the quality expected. Second, as I said, it means taxes higher than they should be. Third, it means essential social services we all benefit from are being put at risk.

Businesses must recognize that in the end conducting business in the underground economy will do more harm than good. Honest businesses are put at a competitive disadvantage because they cannot offer a customer the same deal as that offered by someone who will do the work but not collect the taxes. Furthermore the reputation of an entire business sector can be damaged by just a handful of under the table entrepreneurs whose work is of poor quality.

I hear stories in my riding of Essex—Windsor about businesses that operate out of basements or backyard garages and only work for cash getting their referrals for jobs by word of mouth. These businesses usually give two quotes: a quote for doing work for cash and a second higher quote which includes the proper taxes. Many individuals and businesses engage in these illegal transactions as a way to avoid paying taxes. They think all they are doing is cheating the tax department but as I said a moment ago, their actions make victims of us all.

The negative effects of activity in the underground economy show up in the form of reduced essential savings and services, taxes higher than they would otherwise be, unfair competition and a reduced standard of living for the honest taxpayer. Governments cannot afford to allow this practice to go unchallenged. People have to know that there is fairness in the tax system, that honest businesses have a level playing field and that people who try to cheat the system will be dealt with appropriately.

The government has introduced measures for addressing the underground economy to ensure there is fairness in the way in which the tax system is being administered. The Minister of National Revenue's action plan calls on Revenue Canada:

First, to encourage voluntary compliance by making clear why compliance is important and explaining the consequences.

Second, to work closely with the provinces by setting up exchanges of information to better target and improve enforcement actions.

Third, to strengthen the department's program to identify non-filers and non-registrants.

• (1750)

Fourth, to establish special audit teams to focus on areas of high non-compliance: construction, home renovations, jewellery, hospitality, car repairs, and other service sectors.

Fifth, to work closely with other federal departments, key industry groups and professional organizations.

Last, to explore ways including legislative changes to improve reporting, to enhance the effectiveness of penalties and to improve audit and investigation techniques.

The results of the action taken to date are significant. As of last March 31 over \$860 million, over three-quarters of a billion dollars, in additional taxes have been assessed as a result of the government's underground economy initiative. I should point out that the underground economy initiative is only one part of Revenue Canada's overall enforcement efforts, efforts which generated \$3.7 billion in additional taxes assessed in the 1994-95 fiscal year.

The government has also established close working relationships with a large number of associations whose members know often from firsthand experience how the underground economy can hurt Canadian business. Revenue Canada has consulted with more than 240 groups, such as the Certified General Accountants Association, the Canadian Institute of Chartered Accountants, the Canadian Home Builders Association and the Direct Sellers Association.

These groups have described how revenues and jobs are being lost. They know how businesses face unfair competition from those who do not play by the rules. Consumers lose out when they get goods and services through the underground economy since they forfeit any guarantees of quality backed by reputable firms. With their assistance, Revenue Canada is refining its strategies identifying areas of non-compliance and exploring measures for improving compliance.

In my riding the department has been in touch with the Home Builders Association and is getting information that might be useful in identifying non-compliance.

Revenue Canada also has close ties with the provinces. Co-operation arrangements are in place with all the provinces. Revenue Canada has moved beyond the simple exchange of information and the department is doing joint audits with the provinces. It is sharing audit strategies, training materials and expertise. The provinces have supplied Revenue Canada with databases containing such information as PST registrants, liquor licences, building permits and vehicle registration information as well as the names and addresses of new and used car dealers.

There is also federal and provincial co-operation in terms of ensuring that taxpayers have information to help them voluntarily comply with the law as well as information on the consequences associated with non-compliance.

For example, Revenue Canada has carried out community visits with representatives of provincial tax administrations. During these visits, businesses are given information on the

### *Private Members' Business*

underground economy and information and assistance to help them comply with the tax laws. Departmental officials also ensure that businesses are properly registered for tax purposes and when necessary, encourage businesses to comply with the law where they are not.

Across the country more than 40 community visits have been conducted involving more than 10,000 businesses. The department has increased and targeted its audits to focus on areas of high non-compliance and strengthened its ability to identify non-filers and non-registrants.

In 1994-95 an additional \$245 million was assessed through the non-filer program and an equal amount through the non-registrant program. Nearly 11,000 audits were completed in the high risk sectors which resulted in a further \$90 million in taxes being assessed.

Revenue Canada has increased its publicity of convictions for tax evasion. During 1994-95 there were more than 170 convictions for evasion of income tax and GST. There has been a doubling in the number of voluntary disclosures as a result and the department now receives about 19,000 referrals a year from Canadians who are tired of their neighbours and friends not paying their fair share of taxes.

Revenue Canada's preferred approach is to encourage voluntary compliance. It works. Ninety-five per cent of all revenues are collected without the need for enforcement action. A great deal has been accomplished since the Minister of National Revenue launched his action plan for addressing the underground economy in November 1993.

While the government has introduced concrete measures for addressing the underground economy, it is not exclusively the government's responsibility. All Canadians must do their part, individuals and businesses alike.

Canadians need to talk about the negative consequences of the underground economy. They must resist the temptation and simply say no. I urge members of the House to carry this message back to their constituents. I urge members of the House to work diligently with their constituents to come up with the answers.

I would like to thank the member for Mississauga South for putting forward the motion allowing us to debate an issue of extreme importance to all Canadians. The motion has forced members on both sides of the House to talk about a serious problem. I am hopeful it will eventually result in those now in the underground economy returning to the legitimate economy. I am confident that we are making the right progress in dealing with the problem.

*Private Members' Business*

• (1755)

**Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.):** Mr. Speaker, I am pleased to have this opportunity to make a few comments on Motion No. 382 sponsored by the member for Mississauga South.

Let me say from the outset that I have spoken with a number of people who run businesses in my riding of Lambton—Middlesex about the underground economy. Those who respect the law and pay their taxes do not appreciate having to pay higher taxes simply because others are trying to cheat the system.

Entrepreneurs and small business people who are trying very hard to make a living do not like being at a competitive disadvantage of businesses and tradespeople who ask for cash payment to avoid paying taxes. My constituents also worry over how lost revenue is affecting the government's ability to maintain Canada's social and economic programs which are so important to our well-being.

The issue that is the focus of this motion is of major importance to all Canadians right across the country. The greater the activity in the underground economy, the less revenue there is available to government. Underground economic activity creates unfair competition for honest businesses. Jobs are lost and honest taxpayers are forced to pay more than their fair share of taxes.

There has been a great deal written about the size, extent, nature and causes of the underground economy. As members are probably aware, estimates on the size of the underground economy vary widely depending upon the methodology used, anywhere from 2.5 per cent to 3 per cent of GDP to over 20 per cent, or from \$20 billion to \$140 billion a year. Regardless of its size, there is no disputing the fact that the underground economy exists and its corrosive efforts are exacting a huge toll on Canadian society.

Why then do people make the decision to go underground? There are many reasons. However, I would submit that none of these reasons is legitimate. There is the myth that everyone is doing it, so I may as well. There is the perception of the GST as an unfair tax which enables someone to rationalize their behaviour as acceptable. Others perceive the tax system as too complex and cumbersome to even bother with it. Then there are those who feel that it is easy to get away with it, so why not take the chance?

We have to also acknowledge a widespread disrespect for government and politicians and the accompanying perception that government is wasting the money it takes in from Canadians and that they are getting poor value for their tax dollars.

While none of these reasons can justify not paying one's fair share of taxes, the fact remains that an unfortunate snowballing effect is created once the decision is made to go underground. There is the fear that once one has gone underground, it is too difficult to come out.

There is the perception that if people have gone underground long enough, they might not be able to come out even if they wanted to because there would be no possibility to pay the taxes, let alone the interest and penalties, simply because there would be no paper trail made up of bills, invoices and so on. Faced with this set of circumstances, those who would like to reform their bad habits perceive it cannot be done. They are somehow stuck.

One of the most attractive aspects of Motion No. 382 is the provision for a limited amnesty on interest and penalties otherwise payable when a taxpayer voluntarily declares income previously undeclared. The inducement to go straight would allow the previously delinquent taxpayers to voluntarily come forward without penalty for a limited time and start paying his or her fair share of taxes once again.

Another component of the motion is a proposed tax credit to taxpayers on home improvements and renovations. This would provide an inducement to create an essential paper trail and to serve as one of the primary vehicles for a country wide information campaign.

The motion before the House demonstrates a desire on the part of the member for Mississauga South to get Canadians talking about the negative consequences of the underground economy and to hopefully find ways to encourage as many people as possible to return to the legitimate economy.

There must be a public campaign which emphasizes that tax evasion is a crime and that it is certainly not a victimless crime as is often argued. All Canadians are victims, because tax evasion leads to job loss, increase in the deficit, honest taxpayers carrying more of the burden, and legitimate businesses operating in an environment of unfair competition, sometimes leading to their bankruptcy.

• (1800)

I believe the co-existence of the amnesty program and the tax credit for home renovations with more traditional public awareness campaigns would serve to educate Canadians on the facts of the seriousness of the existence of the underground economy and how they can help to eliminate it. I also believe there will be a change in the attitude of Canadians toward paying their fair share of taxes if they can be convinced that government is upholding its responsibility in enforcing the law in a tough but fair fashion.

To his credit, the Minister of National Revenue, through a series of thoughtful initiatives over the past year and a half, has been successful in recovering over \$800 million in unpaid taxes. But the department has done more than just collect unpaid taxes. Through consultation with over 240 groups and associations, the department has learned how to refine its strategies, identify areas of non-compliance, and explore measures for improving compliance. For example, the government's recent budget announcement of a measure to address the problem of the

*Private Members' Business*

underground economy in the construction industry is a direct result of its consultation efforts.

The department has increased its publicity of convictions for tax evasion. As a result, there has been a doubling of the number of voluntary disclosures. The department now receives about 19,000 referrals a year from Canadians who are tired of some of their neighbours and friends not paying their fair share of taxes.

The motion before the House demonstrates a desire on the part of members to get Canadians talking about the negative consequences of the underground economy and hopefully find ways of encouraging as many people as possible to return to the legitimate workplace within the mainstream economy.

I would like to take this opportunity to fully endorse the motion brought forward by the member for Mississauga South and I would encourage all members of the House to do likewise.

**Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.):** Mr. Speaker, I appreciate the opportunity to speak on this private member's bill by the member for Mississauga South. I hope his constituents will appreciate the hard work he has put into this. I know of his deep concern. Members of Parliament have all heard this concern from our constituents. Perhaps there is no concern that hits as close to the heart of every citizen in the country as what is taking place in the underground economy. I applaud the hon. member for trying to address the problem.

The underground economy is costing the Canadian economy upwards of \$90 billion every year. The underground economy is a clear response from the taxpayers that they are angry and fearful. They are angry because they see more and more of their pay cheques being eroded and they receive less and less money to provide for their needs. It is becoming increasingly difficult to survive in this country. Perhaps the single most important reason for this is because of our tax structure. I will look at the reasons a little later.

The high taxes have also damaged our ability to compete internationally. For a country such as ours, which relies on our export potential to maintain our standard of living, there is perhaps no other factor within our economy that is so damaging to the ability for us to do that. We worked so hard to get agreements on the NAFTA and the free trade agreement, but we have unfortunately hamstrung the ability of businesses in the country to compete internationally. The single most important reason we cannot do it is because of the tax structure. We have seen many business go under. When I go back to my home in Toronto, I see many businesses that have been passed down from generation to generation that have gone bankrupt. The reason is partly because of the tax structure.

• (1805 )

We see many businesses that flock south. People hold up the free trade agreement as a reason that is so, our inability to compete. The real reason most companies have actually fled south is because of the high tax structure, which strangles the ability of Canadian companies to compete internationally. We have one of the highest tax structures in the world.

Yesterday we saw that the IMF has actually downgraded our ability to get money from the IMF. The reason is because our ability to get our debt and deficit down is not good enough. The high taxes that we have are the result of the high debt and deficit that we have in this country, nothing else. It has been a consequence of course of the high spending that Canadians have endured for years and years, overspending by successive governments. This has combined with an extremely complex tax structure and high administration costs to create the terrible tax structure we have today. The result of that has been the underground economy, which is costing us \$90 billion or more a year. That is why the hon. member for Mississauga South has put forth these endeavours.

I will talk for a moment on what I agree with and what I disagree with. Part C of the hon. member's bill, which would provide a tax credit for individuals who wish to hire other individuals in their homes to do work, is a very good one. It will provide transparency in a system that is currently opaque. A good member from my community in Esquimalt—Juan de Fuca, Mrs. Shirley Wilde, put forth a similar idea. We have presented this to the Minister of National Revenue. I look forward to a response from him in the near future. I hope this is something we can work together on in this House.

I disagree with part A of his bill, the information campaign, for the simple reason that it will entail costs and expenses for the government and will add to the tax burden of Canadians.

I suggest the government look at new ways to get our spending under control, to get the deficit down to zero, and to attack the true ogre in this equation, which is the debt. We presented our zero in three deficit reduction plan, which I hope the government will look at, because there are very sensitive but very concrete ways in which we can get our spending down so that it will not hurt the people in our country, in particular those who are most dispossessed, which is something we share a common interest in.

We have to get the GST down and simplify it. When we go out to the business community, no other single complaint so irks them as the GST, a system that is unfathomable, entirely complex, and whose administration costs chew up over one-third of the moneys that are generated.

*Private Members' Business*

We have to decrease taxes overall. Back in 1992 the government of the day did decrease taxes. Interestingly enough, it found that its revenues increased. What did it do? It began taxing wildly. This wild taxing spree, instead of increasing government revenues, actually decreased them. There is a lesson in there for any government: decrease the taxes and the public will become more honest in their representations and will spend more. In fact, there will be a stimulation to the economy.

I ask the government and the Minister of Finance and Minister of National Revenue to look at the flat tax that has been proposed by our party. The flat tax will provide equanimity to all Canadians.

One of the things that make Canadians extremely furious is they feel that the more they work the less they have to take home; the harder they work, the more they give to the government. Little erodes the soil of the Canadian economy or any economy more than if a worker feels that if they work harder they are going to take home less. We have to institute the incentive factor back into the soul of the Canadian economy. Right now it is dead. Canadian workers wonder why they should work harder when they are giving more and more tax money to the government and less and less money is left for them to spend.

• (1810)

I ask that we provide the Canadian people with increased earning power, with an increased ability to keep more money at home. The only way we can decrease the extent of the underground economy is to get spending by the Canadian government under control. Canadians are fed up with the overspending. We must do this not only for the future of the people in this House and our families but for future generations.

I appreciate the hon. member's introduction of this private member's bill. I hope we can look at part C of that bill to discover new ways to increase transparency in the economy we have now so we can decrease the extent of the present underground economy so there will be more money in the public coffers and fairness and greater equanimity among the tax structures we have.

We are working on this together. I hope we can come together to develop a tax structure that is fairer to all Canadians, a tax structure that provides the government with the ability to get its spending under control while providing more money for Canadians to spend.

**Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.):** Mr. Speaker, I congratulate the member for Mississauga South on Motion No. 382, which addresses the ongoing problem of the underground economy. The motion demonstrates his interest in the problem. It encourages debate on something that really has bedevilled the government in our attack on both the deficit and our desire to pursue and maintain our social programs, because the collection of revenues is impeded.

I hope this debate allows Canadians to focus as well on the problem and to reflect on the difficulties created by the underground economy. In my constituency of Windsor—St. Clair I hear regularly from constituents who understand the problem and who resent their neighbours who operate within the underground economy.

Cash business transactions, cheap smuggled beverage alcohol, under the table employment, and other practices of this type shortchange all of us. When we do this we do not remit taxes. The taxes themselves would help to maintain our health plans, our roads, our universities, our social programs. When we do this we help to create unfair competition for honest businesses who do remit taxes. When our neighbours do it, they help ratchet up our own tax bills.

This motion calls on the government to consider establishing initiatives to address the underground economy that exists in Canada today. A great deal has been written about this phenomenon: its size, the social and economic costs, the reasons people abandon the legitimate economy in favour of under the table transactions, and suggestions for dealing with the problem.

The issue is of concern to me and it should be of concern to all Canadians because the underground economy has significant implications for all of us. The greater the activity in the underground economy, as I said earlier, the less revenue available to governments. The creation of unfair competition for honest businesses has driven some small new businesses, marginal businesses, out of operation. This results in lost jobs and in us paying more taxes.

I agree with the hon. member for Mississauga South that Canadians must act on the problem of the underground economy. I say all Canadians because the responsibility for dealing with the issue does not rest entirely on the shoulders of the government. We all have a responsibility and a role to play. Public confidence in Canada's tax system depends on all of us paying our fair share and having the confidence that our neighbours are doing so as well.

Individuals and businesses involved in underground economic activity are not playing by the rules. Governments cannot afford to allow the practice to go unchallenged. People have to know there is fairness in the tax system. They have to know that honest businesses have a level playing field and that people who try to cheat are going to be dealt with appropriately.

Public confidence depends on effective government measures as well. It is for this reason that our government has introduced measures to address the underground economy and other forms of non-compliance. Revenue Canada has put in place a compliance strategy that supports self-assessment and voluntary compliance through assistance, education, services, and responsible enforcement. It seeks to ensure that revenues legitimately owed to the government are collected. The strategy is comprehensive, covering the entire portfolio of Revenue Canada and all dimensions of revenue administration. It is also dynamic be-

cause it is sensitive to modern business practices and the changing forces at play in both the national and local economies.

• (1815)

It is a targeted program which makes use of modern technologies, compliance research and a cross-matching of information from Revenue Canada's extensive databases, other federal departments and provincial revenue administrations.

The department's approach also recognizes there are many different kinds of taxpayers, individuals, corporations, salaried employees and others.

The department has launched special projects as well to address areas of systemic concern, as in the case with its underground economy initiative announced by the minister of revenue in November of 1993. The department has established special audit teams to focus on construction, home renovation, jewellery, hospitality, auto sales, repairs and other service sectors which are areas of high non-compliance. Under this initiative we have put agreements into place with all of the provinces to co-ordinate actions and to ensure progress.

The government's underground economy initiative also involves working closely with business, unions, industry and professional groups to identify ways to further strengthen Revenue Canada's enforcement efforts and to encourage voluntary compliance. During the last year departmental officials consulted extensively with more than 240 groups. They know that tax evasion cheats honest workers out of steady, secure employment and compromises the ability of governments to provide service. They want to help.

Specifically I will address that part of the motion which suggests some relief or limited forgiveness on interest and other penalties which would be payable when a taxpayer voluntarily declares previously undeclared income. This section of the motion calls for an amnesty. The suggestion is an interesting one in terms of how it might facilitate the return of individuals and businesses from the underground economy to the legitimate economy. In no way, however, should it be possible for taxpayers to get away with not paying the taxes they owe. There is merit to the thrust behind the suggestion but I think there are some problems with it as it is framed here.

Opportunities already exist for Canadians who may have deficiencies in their tax reporting to come forward and get a clean bill of health from Revenue Canada. The preferred approach to non-compliance is voluntary disclosure. The department has a voluntary disclosure policy which I as a lawyer in my previous life was able to use to assist clients who had been

### *Private Members' Business*

following business and personal tax practices which did not comply with the law.

This policy allows individuals, partnerships, corporations, trusts, non-profit organizations, charitable and other organizations to come forward to correct deficiencies in their reporting to the department. When a disclosure is made voluntarily before the department has started its audit or other enforcement action, then no penalties or other sanctions such as prosecution for tax evasion will be imposed. The taxpayer will have to pay the amount of taxes or duty owing plus interest. This is a fair policy. It is a form of amnesty which has been available for some time.

I do not agree, however, that interest should be set aside. The interest owed reflects the true value of the money. It also recognizes the fact that those who have not paid their taxes on time have had the use of these funds, which essentially they were holding in trust for the government.

Revenue Canada under its voluntary disclosure policy takes a responsible approach to collections. Arrangements can be worked out so that the taxes owing to the government are paid in a manner which does not cause undue hardship for the taxpayers. This aspect is particularly important to those individuals or businesses operating in the underground economy for some time that feel they would face onerous penalties if they were to come clean and operate honestly.

A person can make a voluntary disclosure by contacting a Revenue Canada office directly or by having someone do it on their behalf, such as an accountant, a lawyer or a friend who wants to assist. A disclosure will be considered voluntary so long as it is made before Revenue Canada has basically started its audit or any other enforcement action.

• (1820)

As a result of co-operative agreements Revenue Canada has with the provinces, we are working toward developing a co-ordinated voluntary disclosure policy with all of the provinces. It is our view that a consistent policy among the federal and provincial governments with respect to disclosure will make it easier for taxpayers who have decided to rejoin the legitimate economy.

I believe we need to be careful about tax amnesties. When tried in the past, more extensive tax amnesties than what are available under the voluntary disclosure program, they have had only limited effect. They may actually create more non-compliance. This happens because people believe that once an amnesty is in place others will follow and so they can wait and delay co-operation. The result is less compliance, not more.

*Private Members' Business*

People also believe that when there is an amnesty policy in place that will forgive interest it becomes their right to avoid paying interest on taxes.

A great deal has been accomplished since the Minister of National Revenue introduced his action plan for addressing the underground economy. The initiative has resulted in more than \$860 million in additional taxes assessed. Revenue Canada's ability to identify non-filers and non-registrants has been strengthened. The department has put co-operation agreements in place with all of the provinces and is working in partnership with private sector groups.

It is clear Canadians are concerned about the underground economy and that Canadians are willing to work together to find solutions. I thank the member again for this motion. I congratulate him on it because it demonstrates a desire on his part and on the part of his constituents to get Canadians talking about the negative consequences of the underground economy and to find ways of encouraging as many people as possible to return to the legitimate economy.

**Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.):** Mr. Speaker, I will make a few comments in support of Motion No. 382, sponsored by the member for Mississauga South.

We as a government are asking people to make significant sacrifices in the name of deficit reduction. I believe most Canadians understand the seriousness of the situation and are prepared to make these sacrifices.

While they may grumble about taxation, Canadians in general are quite prepared to contribute a fair portion of their income in return for the services they want. They have made it very clear the services they want include medical care, solid infrastructure and transportation systems, safe communities and income security for all Canadians.

However, I also believe they are fed up with seeing their hard earned money wasted over the years in ways they would never countenance. They want us to spend their money the same way they spend it, carefully, thoughtfully, with due consideration of what it took to earn the money in the first place. That expectation is fair because after all it is their money.

The public is watching us very closely. When it hears of lavish spending or wasted funds at any level of government, federal, provincial or municipal, its confidence in all governments is eroded.

We as a government recognized this right from the start and have taken many steps to ensure that taxpayers get their money's worth. This is extremely important and I urge all members to keep up their vigilance in this area.

When people see government as a black hole, sucking their money in and giving nothing back, they tend to wonder why they should pay tax on that kitchen renovation or that load of gravel.

• (1825 )

For many individuals and businesses, participating in the underground economy has become a convenient way not only to avoid paying taxes but to take some small action against what they see as governments they do not trust placing unfair burdens on them.

They may feel their financial situation justifies their actions. It may be several years since their last pay raise or even their last regular pay cheque. They may have lost their previous job because of government cutbacks or downsizing. They may feel the tax system is too complex or unfair.

Whatever the reason, it is of paramount importance they come to understand the damage they are doing to the economy of the country and ultimately to themselves. Estimates on the size of the underground economy vary widely depending on the methodology used from \$20 billion to \$140 billion a year.

Even if one were to assume the lower figure is more correct, that is still \$20 billion not available to governments to provide necessary services for their taxpayers.

Underground economic activity creates unfair competition for honest businesses, jobs are lost, honest taxpayers are forced to pay more than their fair share of taxes, and once again they feel cheated. It is a vicious cycle and people must understand the underground economy makes victims of us all.

We in the House as well as all Canadians must consider the real cost of underground economic activity. The cost is huge. It shows up in reduced essential services, taxes that are higher than they would otherwise be, unfair competition and a reduced standard of living for the honest taxpayer.

How does the underground economy affect the legitimate business person trying to be competitive? Right from the start honest business people are at a competitive disadvantage because they cannot offer a customer the same deal offered by someone who will do the work but not collect the taxes. The end result is that the legitimate business person faces unfair competition and jobs are lost.

The consumer who takes the lower price and pays cash must understand that he or she is cheating the system and becoming party to the evasion of taxes. They must come to understand they are benefiting from the full range of government services but that by engaging in the underground economy they are no longer paying their fair share. They are taking part in a transaction that jeopardizes our health, education and other essential economic and social services.

The motion before the House suggests the government educate the public and encourage its participation in addressing the problem. I support this suggestion wholeheartedly. Canadians need to know the facts about the seriousness of the underground economy and what can be done to reduce it.

The government has recognized this essential truth and has made education a fundamental element of its action plan to address the underground economy.

During the past year officials of Revenue Canada have been actively consulting with individuals and associations across Canada.

With the Canadian Institute of Chartered Accountants, for example, the department established a working committee to investigate the causes of the underground economy, examine audit techniques and identify training that would assist in tracking down unreported or under reported income and identify opportunities for reducing the cost and administrative burden of compliance for businesses and individuals.

These groups are taking the message of the risks of dealing in the underground economy back to their membership. The message is simple: Every citizen and every business has a role to play in eliminating the underground economy. Individuals can start by refusing to deal with businesses and tradespeople who ask for cash payments. Businesses can do their part by turning down demands to do work off the books.

• (1830)

The increased publicity given this problem by the minister of National Revenue is having an effect. The number of voluntary disclosures where people come forward to voluntarily correct their tax affairs has doubled in the past year. The member's suggestion that a limited amnesty on interest and penalties be offered to taxpayers who voluntarily declare income previously undeclared is a good one and will result in even more honest Canadians coming forward.

I am confident that we are making progress in dealing with the underground economy and other forms of tax evasion. I applaud the member for Mississauga South for his efforts to stimulate discussion on the issue. I urge members of the House to carry the message back to their constituents.

We in government have recognized that we must take positive action to restore respect, trust and confidence in government and we are doing our part. I urge members to talk to their constituents about the underground economy, its seriousness and how it can be reduced. I urge Canadians to do their part to discourage this harmful activity.

### *Adjournment Debate*

**The Acting Speaker (Mr. Kilger):** This brings to a conclusion the debate on Private Members' Motion No. M-382.

Is the House ready for the question?

**Some hon. members:** Question.

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

**Some hon. members:** Agreed.

**An hon. member:** On division.

(Motion agreed to.)

---

## ADJOURNMENT PROCEEDINGS

[*Translation*]

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

### GOVERNMENT SUBSIDIES

**Mr. Antoine Dubé (Lévis, BQ):** Mr. Speaker, I wish to go back to an answer I deem unsatisfactory which the Minister of Human Resources Development gave to a two-part question on unemployment insurance and training I put to him during question period on September 28.

In his reply, the Minister of Human Resources Development made a comment which I would describe as somewhat improper in that he responded, not accepting my position with respect to training, that:

—there is something the matter with the hon. member. I have a letter he wrote me asking for my support in a youth project sponsored by the federal government in his riding. I am very pleased to say I would certainly like to give him the assurance of supporting that project if he can give me the assurance of supporting the no vote on October 30.

**Mr. Crête:** Unacceptable.

**Mr. Dubé:** As my colleague for Kamouraska—Rivière-du-Loup suggests, totally unacceptable because this shows a contempt for democracy.

Yet the Minister of Human Resources Development is an experienced parliamentarian. A parliamentarian who has been in opposition for at least nine years. For nine years, and I have read and reread many of his speeches, he has been severely critical of the accomplishments of the Conservative government, as it was his role to do. I find no fault with that. When he was in the opposition, it was his role to criticize government programs.

In this case, he refers to one letter, yet the next day the parliamentary secretary indicated to me that there was a second letter on two projects. As for the projects in question, there was a project sponsored by Ateliers Jeunesse in my riding, a project called JET created to set up a part time job bank for high school students. It had nothing whatsoever to do with training.

*Adjournment Debate*

• (1835)

The next day, the parliamentary secretary, substituting for the minister, mentioned another project connected with Youth Service Canada. Sure, I criticized Youth Service Canada, but this was for an incubator program. My complaints about Youth Service Canada were about the fact that the training components contradicted of Quebec's policy on manpower training.

I was consistent in supporting the project submitted under this program because there was no manpower training component. The emphasis was more on an incubator program to help young people create their own business.

I would have a lot more to say about this, but since there is so little time, I would say it is a matter of principle. As I see it, this is blackmail, an attack on our democratic system.

I was elected by the people of my riding to represent them. That was my purpose when I sent projects to the minister for his approval. Now he asks me to support the No side, and if I do, he will approve this project. That is unacceptable.

If it were an isolated incident, I would say it was just a slip of the tongue. In that case, the minister should have said: "Listen, I spoke without thinking. That is not what I meant". But the next day he was not in the House, and he let his parliamentary secretary answer instead, who proceeded to criticize my criticism of this program.

I think that is unacceptable, especially in the present circumstances when comments of this kind keep cropping up. For instance, in a secret document prepared by Industry Canada, companies were listed according to their political allegiance, to see whether the projects should be funded.

I think that is unacceptable. I am making this speech today within the precincts of the House of Commons, where we meet as democratically elected representatives. I invoke the right we have in this House to demand that this be rectified, that members opposite on the government side stop their blackmail, because we will not tolerate this.

Thank you, Mr. Speaker, for giving me this opportunity. It seems no one will bother to respond. Very democratic indeed.

**Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.):** Mr. Speaker, first of all I would like to point out that the Minister of Human Resources Development was rather surprised at the support shown by the hon. member for Lévis for a Youth Service Canada project in his riding.

This was the same member who had previously said Youth Service Canada was an invasion of provincial jurisdiction. It is therefore difficult to account for the enthusiastic support shown by the hon. member, considering his opinion of federal initiatives.

Nevertheless, as the Secretary of State for Training and Youth pointed out to the hon. member in a letter dated September 5, 1995, the proposal is still quite interesting, but we need a few details.

The promoter, Alliance-Jeunesse, was asked to revise its proposal, and the Youth Service Canada secretariat offered to send one of its representatives to provide assistance. As soon as we receive the proposal, I can assure the hon. member it will be processed immediately.

Meanwhile, I think the hon. member will be pleased to hear that the minister has already provided a great deal in the way of employment assistance in his riding. In fact, according to the latest figures, those available for 1994-95, assistance for residents in the riding of Lévis totalled \$7.7 million. That is a very substantial amount.

This would seem to argue against the assumption of the hon. member that the minister allocates funding on the basis of the way the member for the riding voted or intends to vote.

Clearly the hon. member's allegation has no basis in fact.

• (1840)

[English]

## FOREIGN AFFAIRS

**Mr. Geoff Regan (Halifax West, Lib.):** Mr. Speaker, today in question period I asked a question about the share of spinoffs from Canadian international development aid that goes to Quebec. From what I have heard over the past few weeks in question period from Bloc Quebecois members, it seems they cannot decide whether they want the federal government to spend money in Quebec.

The Bloc claims that Quebec would be better off outside Canada in a separate country. However the facts and even the reports put out by the Parti Quebecois government in Quebec show that is not true. They show that Quebec is much better off inside Canada than it would be as a separate country.

One example of those kinds of facts is the case of international development aid.

[Translation]

For the year 1992-93, the last year for which provincial comparisons were made, nearly 30 per cent of IDA supplies came from Quebec. One third—which means 33.4 per cent—of registered consultants are from Quebec. More than one third—which means 36.3 per cent—of the contracts go to Quebec. The value of these contracts—a little less than \$100 million—represents about one third or 33.1 per cent of the national total.

*Adjournment Debate*

[English]

It is very clear that with approximately 25 per cent or a little less of the population of Canada or about one-third of these contracts in relation to international aid, Quebec does very well under the CIDA programs and under programs relating to international aid.

On the other hand, in the past at least Atlantic Canada has done so well. Atlantic Canada in recent years has received less than its share of international development aid spinoffs. We are seeking improvements in that regard.

I had the pleasure of serving on the foreign affairs committee until recently when I was moved to the justice committee. Last spring we had the president of the Canadian International Development Agency before our committee on the estimates. I had the opportunity to question her about a number of things. One of the matters I asked her about was the share of development aid contracts and spinoffs going to the Atlantic region. She agreed that there needed to be work done to improve that number. She recognizes or should recognize that Atlantic Canadian companies can perform as well as anyone else. I think we showed during the Halifax G-7 meeting that Atlantic Canadians can do things as well as anyone in the rest of the country and in fact the rest of the world.

I am looking forward to seeing the results of this year. I am hoping to see considerable improvements in regard to the level of the share of CIDA contracts going to Atlantic Canada.

Atlantic Canada has other complaints in other areas where we feel we do not necessarily always get our share. However we believe very strongly in the country. I think the majority of Quebecers believe strongly in the country; they believe strongly in Canada. Like the majority of Quebecers, we believe we can continue to work together to work out our problems. We can continue to improve and build Canada, the best country in the world.

[Translation]

**Mr. Ronald J. Duhamel (Parliamentary Secretary to President of the Treasury Board, Lib.):** Mr. Speaker, all of Canada's regions, without exception, benefit from the spinoffs of the

official development assistance budget. The Government of Canada is not shy about drawing on the know-how of Canadians, who have both the necessary skills and the desire to contribute to the growth of a developing country.

Quebec has a wealth of such skills. It has always been committed to helping the most disadvantaged peoples. The Government of Canada is fully aware of this and regularly draws on this knowledge and goodwill in carrying out its assistance program.

This is how a number of Quebec companies have obtained contracts from the Canadian government enabling them to export their know-how. Permit me to name a few whose contribution is well known. They include the Société Vitronov of Montreal, which this year won the award of excellence from the Canadian Exporters' Association for an innovative project in biotechnology in Morocco. Other companies include SR Télécom, ADS Associés, Tecresult, to mention but a few.

The fact is that Quebec receives much of the spinoffs of Canadian ODA. Nearly 30 per cent of ODA procurement is done in Quebec. More than a third, 36.3 per cent, of contracts are concluded in Quebec.

Of the 45,000 jobs created in Canada by official development assistance, over 12,000 are in "la belle province".

Like other Canadians, Quebecers are opening up more and more to the world. They understand, as the century draws to a close, that the planetary stakes are so high we must pool our resources and strengthen existing partnerships.

The ODA program tries to resolve problems that present a real threat to security, both in Canada and in the rest of the world. The Government of Canada intends to continue to draw on Quebec know-how in helping to make the world a richer and a fairer place.

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

(The House adjourned at 6.47 p.m.)

# CONTENTS

Thursday, October 5, 1995

## ROUTINE PROCEEDINGS

### Peacekeepers in Former Yugoslavia

Mr. Ouellet .....	15251
Mr. Leroux (Shefford) .....	15252
Mr. Mills (Red Deer) .....	15252

### Income Tax Conventions Implementation Act, 1995

Bill C-105. Motions for introduction and first reading deemed adopted .....	15253
Mr. MacAulay .....	15253

### Petitions

#### Income Tax Act

Mr. Szabo .....	15253
-----------------	-------

#### CFB Calgary

Mr. Harper (Calgary West) .....	15253
---------------------------------	-------

### Questions on the Order Paper

Mr. Milliken .....	15253
--------------------	-------

## GOVERNMENT ORDERS

### Witness Protection Program Act

Bill C-78. Motion for second reading .....	15253
Mr. Gray .....	15253
Mr. Langlois .....	15255
Mr. Thompson .....	15257
Mr. White (Fraser Valley West) .....	15259
Mr. Milliken .....	15261
Ms. Cohen .....	15262
Mrs. Finestone .....	15264
Mr. Regan .....	15266
Mr. Lee .....	15269
Mr. MacDonald .....	15270
Mr. Wappel .....	15272
Mrs. Terrana .....	15275
(Motion agreed to, bill read the second time and referred to a committee.) .....	15276

### Explosives Act

Bill C-71. Report stage .....	15276
Motion for concurrence .....	15276
Mr. Goodale .....	15276
(Motion agreed to.) .....	15276
Motion for third reading .....	15276
Mr. Rideout .....	15276
Mr. Pomerleau .....	15278
Mr. Hermanson .....	15279
Ms. Skoke .....	15281
Mr. Shepherd .....	15282
(Motion agreed to, bill read the third time and passed.) .....	15282

### Report of the Auditor General

The Speaker .....	15283
-------------------	-------

## STATEMENTS BY MEMBERS

### National Family Week

Ms. Skoke .....	15283
-----------------	-------

### Canada-Quebec Economic Union

Mr. Leroux (Shefford) .....	15283
-----------------------------	-------

### Air Disasters

Mr. Stinson .....	15283
-------------------	-------

### Interest rates

Mr. Solomon .....	15283
-------------------	-------

### National Parks and Historical Sites

Mr. Mitchell .....	15284
--------------------	-------

### World Teachers Day

Mr. Bélanger .....	15284
--------------------	-------

### Canada Post Corporation

Mr. LeBlanc (Cape Breton Highlands—Canso) .....	15284
---	-------

### The National Debt

Mr. Godin .....	15284
-----------------	-------

### Health Care

Mrs. Hayes .....	15285
------------------	-------

### Waterloo

Mr. Telegdi .....	15285
-------------------	-------

### Leader of the Action démocratique du Québec

Mr. Patry .....	15285
-----------------	-------

### Leader of the Action démocratique du Québec

Mr. Discepola .....	15285
---------------------	-------

### Canadian Dollar

Mr. Lefebvre .....	15285
--------------------	-------

### Justice

Mr. Thompson .....	15286
--------------------	-------

### Leader of Action démocratique du Québec

Mr. Bertrand .....	15286
--------------------	-------

### Francophones Outside Quebec

Mrs. Ringuette-Maltais .....	15286
------------------------------	-------

### Immigration and Refugee Board

Ms. Meredith .....	15286
--------------------	-------

### Royal Bank

Mr. Shepherd .....	15287
--------------------	-------

## ORAL QUESTION PERIOD

### Manpower Training

Mr. Bouchard .....	15287
Mr. Axworthy (Winnipeg South Centre) .....	15287
Mr. Bouchard .....	15287
Mr. Chrétien (Saint-Maurice) .....	15287
Mr. Bouchard .....	15287
Mr. Chrétien (Saint-Maurice) .....	15288
Mrs. Lalonde .....	15288
Mr. Axworthy (Winnipeg South Centre) .....	15288
Mrs. Lalonde .....	15288
Mr. Axworthy (Winnipeg South Centre) .....	15288

### Peacekeeping

Mr. Mills (Red Deer) .....	15289
Mr. Chrétien (Saint-Maurice) .....	15289
Mr. Mills (Red Deer) .....	15289
Mr. Chrétien (Saint-Maurice) .....	15289
Mr. Mills (Red Deer) .....	15289

Mr. Chrétien (Saint-Maurice) .....	15289
<b>Manpower Training</b>	
Mr. Crête .....	15290
Mr. Axworthy (Winnipeg South Centre) .....	15290
Mr. Crête .....	15290
Mr. Axworthy (Winnipeg South Centre) .....	15290
<b>National Defence</b>	
Mr. Hart .....	15290
Mr. Mifflin .....	15290
Mr. Hart .....	15290
Mr. Chrétien (Saint-Maurice) .....	15291
<b>Manpower Training</b>	
Mr. Gauthier .....	15291
Mr. Axworthy (Winnipeg South Centre) .....	15291
Mr. Gauthier .....	15291
Mr. Chrétien (Saint-Maurice) .....	15291
<b>The Economy</b>	
Mr. Williams .....	15291
Mr. Martin (LaSalle—Émard) .....	15292
Mr. Williams .....	15292
Mr. Martin (LaSalle—Émard) .....	15292
<b>Federal Debt</b>	
Mr. Bélisle .....	15292
Mr. Martin (LaSalle—Émard) .....	15292
Mr. Bélisle .....	15292
Mr. Martin (LaSalle—Émard) .....	15292
<b>CFB Shearwater</b>	
Mr. MacDonald .....	15292
Mr. Mifflin .....	15293
<b>Ipperwash</b>	
Mr. Hanger .....	15293
Mr. Gray .....	15293
Mr. Hanger .....	15293
Mr. Gray .....	15293
<b>Access to Information</b>	
Mr. Bellehumeur .....	15293
Mr. Chrétien (Saint-Maurice) .....	15293
Mr. Bellehumeur .....	15294
Mr. Chrétien (Saint-Maurice) .....	15294
<b>Agriculture</b>	
Mr. Hermanson .....	15294
Mr. Goodale .....	15294
Mr. Hermanson .....	15294
Mr. Goodale .....	15294
<b>Official Development Assistance</b>	
Mr. Regan .....	15294
Mr. Ouellet .....	15294
<b>Research and Development</b>	
Mrs. Venne .....	15294
Mr. Young .....	15295

<b>Indian Affairs</b>	
Miss Grey .....	15295
Mr. Irwin .....	15295
<b>The Economy</b>	
Ms. McLaughlin .....	15295
Mr. Martin (LaSalle—Émard) .....	15295
<b>Business of the House</b>	
Mr. Gauthier .....	15295
Mr. Gray .....	15295
<b>Points of Order</b>	
<b>Comments During Question Period</b>	
Miss Grey .....	15296

## ROUTINE PROCEEDINGS

<b>Committees of the House</b>	
<b>Human Rights and Status of Disabled Persons</b>	
Mr. Milliken .....	15296
Motion .....	15296
(Motion agreed to.) .....	15296

## GOVERNMENT ORDERS

<b>Employment Equity Act</b>	
Bill C-64. Motion for third reading .....	15296
Mr. Axworthy (Winnipeg South Centre) .....	15296
Mr. McClelland .....	15299
Mrs. Gagnon (Québec) .....	15301
Mr. McClelland .....	15303
Mr. Pagtakhan .....	15308
Mr. Thompson .....	15310
Ms. Clancy .....	15312
Mr. MacDonald .....	15313
Mr. Gouk .....	15315
Mr. McClelland .....	15315
Mr. Martin (Esquimalt—Juan de Fuca) .....	15316

## PRIVATE MEMBERS' BUSINESS

<b>Underground Economy</b>	
Consideration resumed of motion .....	15318
Ms. Whelan .....	15318
Mrs. Ur .....	15320
Mr. Martin (Esquimalt—Juan de Fuca) .....	15321
Ms. Cohen .....	15322
Mr. Malhi .....	15324
Motion agreed to .....	15325

## ADJOURNMENT PROCEEDINGS

<b>Government Subsidies</b>	
Mr. Dubé .....	15325
Mr. Duhamel .....	15326
<b>Foreign Affairs</b>	
Mr. Regan .....	15326
Mr. Duhamel .....	15327



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