



CANADA

House of Commons Debates

VOLUME 133 • NUMBER 247 • 1st SESSION • 35th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Wednesday, October 25, 1995

Speaker: The Honourable Gilbert Parent

CONTENTS

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

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HOUSE OF COMMONS

Wednesday, October 25, 1995

The House met at 2 p.m.

Prayers

STATEMENTS BY MEMBERS

[*Translation*]

NATIONAL UNITY

Mr. Paul DeVillers (Simcoe North, Lib.): Mr. Speaker, October 25 marks the second anniversary of our government's election. Two years ago, Canadians across the country decided to elect a government that reflected them, one they trusted.

The popular support our government has enjoyed in these past 24 months demonstrates clearly our ability to identify the public's real needs. The challenges are considerable. We are working tirelessly to put the economy back on track and we are confident we will make good all of our campaign commitments by the end of our mandate.

Canadians want the changes we support, and we are sure that, if we continue to work together, Canada will long remain the best country in the world.

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[*English*]

REFORM PARTY OF CANADA

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, two years ago today, on October 25, 1993, the people of Canada sent 52 Reform MPs to Ottawa. They did so because we as a party promised to put their interests as constituents first. Today my Reform colleagues and I thank our constituents for helping us to keep that promise.

A special thanks goes out to the people of Lethbridge constituency for participating in the first leg of my annual fall tour. In places like Diamond City, Picture Butte, Nobleford and Milk River they talked about issues that were important to them, things like jobs, pensions, agriculture and certainly the referendum.

They told me about their hopes and their fears. They reminded me what it meant to be their representative in Ottawa. The main streets and the coffee shops of southern Alberta are a long way from Parliament Hill.

Many of my constituents will never have the opportunity to visit the nation's capital, but the Reform Party believes that by effectively representing their interests in this House of Commons we will be able to bridge that distance.

The Speaker: I have not been able to say this for a long time but thank you, Mr. Speaker.

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QUEBEC REFERENDUM

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I would like to appeal to all my fellow Canadians in Quebec who may be thinking of voting yes on October 30 as a way of protesting against the policies of this federal Liberal government, against this Prime Minister, against the corporate agenda, against the current constitutional impasse, whatever, to think again.

Governments and prime ministers come and go. What is in the interests of all of us and the world is that Canada remain and that progressive Canadians stand shoulder to shoulder in defence of social justice in the Canada we built together in the last 50 years.

We have been an example to the world. Let us not commit the sin of sowing despair when we should be sowing hope, for what hope is there for others who are not so richly blessed if Canadians cannot find a way to live together.

I have always believed that Canada has a mission to be a light to the nations and that Quebec in Canada was integral to that mission. The rest of Canada has not always nurtured that light but that light for the next few days is in the care and keeping of Quebecers alone. I appeal to them not to snuff it out.

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GASOLINE ADDITIVES

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, MMT is the only available gasoline additive in Canada that can reduce nitrogen oxide emissions by as much as 20 per cent. These emissions cause urban smog.

A ban on MMT would have the effect of adding one million cars to Canadian roads by the year 2000. MMT lets Canadian

S. O. 31

refiners use less intensive refining which also cuts down on other types of emissions that hurt the environment. In Saint John which has the biggest oil refinery in Canada this is important.

The environment minister with Bill C-94 wants to remove MMT from Canadian gas because she says it will harmonize Canada's standards with the U.S. where MMT is not used. She has also stated that automakers claim that MMT harms their onboard diagnostic systems. Independent studies and American courts have said that there is no such link. Within weeks MMT will be used in U.S. refineries.

I ask the minister to stop Bill C-94 as Canada's gasoline standards would no longer be—

The Speaker: The hon. member for York—Simcoe.

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QUEBEC REFERENDUM

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Mr. Speaker, I would like to commend the efforts of the no side during the referendum campaign.

The federalists have been responsible. We have presented a dream to Canadians. Our dream is of pluralism and tolerance. We want a Canada where our children learn to work together rather than build walls and become isolationists.

As of today we are witnessing a massive outpouring of love and support for the people of Quebec for a united Canada. People from all over Canada, including my riding of York—Simcoe, will be flocking by the thousands to Montreal on Friday to show their support for unity.

David Ducharm and Andrew Douris along with many other school children presented me with a petition calling for Quebec to remain part of Canada.

Better opportunity for our children and for the greater good of humanity is what federalism offers. For the sake of our children, for the love of our children, let us keep Canada together.

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[*Translation*]

BILINGUALISM

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, the number of Canadians learning French has increased enormously in the past fifteen years. Thanks to the policy on bilingualism, thousands of young people across Canada are learning French. At first, the debate was fierce, but, little by little, Canadians learned the importance of bilingualism and of the French language.

And so, immersion classes started throughout Canada, and, in British Columbia, 3,000 kilometres from Quebec, many anglophone parents decided their children would learn the second language of their country and join with francophones outside

Quebec, who speak both English and French. We have come a long way. The policy on bilingualism has served our country well, and I would like to join the many Canadians who believe in a bilingual Canada and who continue to live together in harmony despite their race, colour and beliefs, and believe in a united Canada.

“Mon Canada inclut le Québec”. My Canada includes Quebec.

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NATIONAL UNITY

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, on October 30, Quebecers will make a very important choice: saying yes to separation and to Canada's break-up or saying no to separation and to Canada's break-up. Canadians from all the other provinces hope that when the people of Quebec make their democratic decision, they will choose to remain in Canada.

The people in my riding of London—Middlesex feel that a majority of Quebecers will want to remain an integral part of this country we have built together. We think that they will vote no.

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REFERENDUM CAMPAIGN

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, at the No side rally in Verdun last night, the Prime Minister of Canada confirmed that he had nothing to offer Quebecers who are calling for change.

● (1405)

The Prime Minister of Canada is asking the people to trust him and says that he will never agree to any constitutional change without Quebec's consent. But how can we trust this man who, in 1982, agreed to the unilateral patriation of the constitution without Quebec's consent?

As Lysiane Gagnon wrote in today's *La Presse*: “It is too little, too late. Weeks and years too late”.

In the past few days, the no side has begged Canada to help it out, but its appeals have been in vain. At the very last minute, a panicky Prime Minister of Canada has entered the referendum campaign with empty hands. It is too little, too late. Quebecers will not be fooled; they will vote yes next Monday.

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[*English*]

QUEBEC REFERENDUM

Mr. John Cummins (Delta, Ref.): Mr. Speaker, Canadian historian Desmond Morton maintains that a nation is a people who have done things together in the past. It is not bound by language or by a common culture but by a shared experience.

We are a prosperous, peaceful and tolerant society. Most significantly in the words of Jacques Hébert: "Quebec and its differences have been accepted since 1867 within a federation that is the most decentralized in the world, precisely to accommodate Quebec's differences, its distinctive language and education systems, its civil code".

Nevertheless, the separatists would diminish what our forefathers have built, a nation which is the envy of the world, a nation which because it is what it is, continues to be a country of choice for many of the world's less fortunate.

Last June, the leader of the Reform Party cautioned that we cannot stand by passively and allow Quebec voters to make a decision without a vigorous defence of Canada, including a positive federalist alternative to the status quo.

It is time we trumpeted the virtues of this land in which we have been blessed to live.

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QUEBEC REFERENDUM

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, on October 30 the people of Quebec will be called upon to make the most important decision in the history of their province and this country, that being should Quebec separate, yes or no?

[Translation]

Canadians from coast to coast want Quebec to remain an integral part of Canada.

[English]

The last thing francophones across this great country want is for their nation to disintegrate. Many francophones from my riding of Thunder Bay—Atikokan have communicated to me the sadness they would feel should Quebec separate.

The constituents of my riding plead to all Quebecers to reflect on the virtues of Canada and to preserve our national unity. I am confident that as Quebecers look back on their lives as Canadians, they will see mostly benefits and positive experiences.

[Translation]

Our country was born of two cultures who share a sense of family. We may all be different from one another but, at the end of the day, we are still one big family.

S. O. 31

[English]

QUEBEC REFERENDUM

Ms. Maria Minna (Beaches—Woodbine, Lib.): Mr. Speaker, I rise today to acknowledge and commend the hard work of two young men from my riding of Beaches—Woodbine.

Sean Lee Popham and Jesse Moore, two students from Malvern Collegiate, have circulated a petition to over 100 schools across Canada. This petition supports a united Canada and rejects any attempt to separate Quebec from the rest of Canada. Sean and Jesse's petition now has over 3,000 signatures from student leaders in both territories and all of Canada's 10 provinces, including Quebec.

Student Councils for a United Canada was created at the 1995 Canadian Student Leadership Conference in Bathurst, New Brunswick. Now more than ever it is important that their message be heard.

The young people of Canada do not want to see this country broken up. They want a secure and prosperous future for themselves and for the young people of tomorrow. Their message to Quebec is this: Say no to the break up of our nation and say yes to a strong, united Canada.

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[Translation]

PARTNERSHIP

Mr. Bernard St-Laurent (Manicouagan, BQ): Mr. Speaker, Quebec is at a crossroads. To ensure their future, the people of Quebec must take their destiny back into their own hands. In this context, the mandate for sovereignty that Quebecers will be giving their government next Monday must not be construed as a rejection of Canada, but rather as the will to assume responsibility for themselves. Over the years, the people of Quebec and Canada have developed strong bonds of friendship, and they have many interests in common.

A partnership would be in everyone's best interests, since more than 300,000 jobs on each side are at stake. Partnerships are clearly the way of the future.

On October 30, Quebecers will not only take their destiny into their own hands but also hold out a friendly hand to their Canadian partners.

* * *

• (1410)

FRANCO-ONTARIANS

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, after being insulted last week, when the Bloc member for Rimouski—Témiscouata said: "The francophones—poof!",

Oral Questions

we, Franco-Ontarians, have decided to speak up. After countless press conferences and all kinds of protests, the French speaking community of Ontario is now mobilizing and organizing a rally to be held tomorrow at La Cité collégiale, in Ottawa. This rally will be an opportunity to proudly show that the French language is alive and well in Ontario and that La Francophonie wants Quebec to remain in Canada.

Tomorrow, it will be our turn, as francophones living in Ontario, to say "Poof!" to everyone who wants us gone for the sake of justifying Quebec's separation.

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*[English]***QUEBEC REFERENDUM**

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, yesterday in a speech to thousands of supporters of the no side, the Prime Minister told Quebecers that he is not opposed to future change in Canada if they vote no.

The Reform Party has long called for renewed federalism without constitutional change. To this end it has put forward a 20-point plan to modernize and decentralize Canada.

By adopting the Reform Party policy paper on a new confederation, all of the provinces of Canada would benefit from a decentralization of powers. Furthermore, the 20-point plan would allow for reform of our institutions and could be made, bringing greater representation to the people and the regions of Canada.

Most important, by adopting the plan, the changes could be made without comprehensive federal-provincial negotiations, such as the Meech Lake or the Charlottetown accords.

[Translation]

Mr. Speaker, on behalf of all Canadians, I want to point out that voting no does not mean voting for the status quo.

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THE CONSTITUTION

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, yesterday, the Prime Minister said: "Voting no means rejecting separation. It does not mean that we give up anything regarding the Canadian constitution. We will keep open all the other paths for change, including the administrative and constitutional ones".

On Monday, Quebecers will decide not only the future of Quebec, but also, indirectly, the future of Canada.

Quebec's claims are increasingly echoed by a number of other provinces.

The changes that many of our fellow citizens have been hoping for can only be achieved by voting no. We are confident that, on October 30, Quebecers will say no to the break-up of

Canada and that they will choose to continue to work to improve our great country.

* * *

THE CONSTITUTION

Mr. Laurent Lavigne (Beauharnois—Salaberry, BQ): Mr. Speaker, this week, the Prime Minister's cynicism has reached new heights. After claiming that he always supported the distinct society concept, when in fact he fought against its inclusion in the Meech Lake accord, the Prime Minister said yesterday, in a speech in Verdun, that any constitutional change affecting Quebec would only be made with the consent of Quebecers.

This absurd statement from the very person who imposed the Canadian Constitution on Quebecers, when the Quebec Liberal Party and the Parti Québécois were jointly opposed to it, shows that the no side is panic stricken.

Quebecers will no longer be taken in by such equivocation. On October 30, they will vote yes to denounce the patriation of the constitution imposed to them in 1982 by the current Prime Minister of Canada. Quebecers will vote yes to be on an equal footing to negotiate from a unified platform. On October 30, they will vote yes to give themselves a country.

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NATIONAL UNITY

Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, yesterday, the no side held a very important rally in Verdun. A large number of people came to hear the leaders of the no side talk about Canada's future after the referendum.

These thousands of Quebecers were elated to hear their leaders reaffirm their profound attachment to Canada, as well as their confidence regarding our country's future.

Canada is in constant evolution. Voting no in the referendum will allow that evolution to continue in light of what Quebec and the other provinces are calling for. However, voting yes would mean the break-up and the end of Canada. But Quebecers do not want that and they will vote no.

ORAL QUESTION PERIOD

• (1415)

*[Translation]***REFERENDUM CAMPAIGN**

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday in a speech to his supporters in the referendum campaign, the Prime Minister made an about-face and promised Quebecers change as an incentive to vote no in the upcoming referendum.

Oral Questions

My question is directed to the Minister of Labour. Would she agree that these last minute promises, made in a panic by the Prime Minister a week from the referendum, sound very familiar to Quebecers who remember the referendum in 1980?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, yesterday the Prime Minister of Canada explained his point of view to all those who believe in the no side, saying how serious the situation and the choice made on October 30 were for the future of our country, and that this was a choice Quebecers had never had to make before in their entire history, because just one vote would mean the break-up of Canada.

So the Prime Minister urged all Quebecers to think carefully before they voted, to think carefully about what Canada is today, what Quebecers are today, before they go and vote. That was basically the Prime Minister's message last night.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, we are discussing the complete about-face made by the Prime Minister.

I therefore want to ask the Minister of Labour why Quebecers should trust someone who made promises to them last night, when only last Sunday in New York, he bluntly rejected the demands of Daniel Johnson, the chair of the no committee? Why should we trust the man who betrayed Quebec in 1982?

The Speaker: Once again, my dear colleagues, I would ask you to be very careful about your choice of words used in both questions and answers.

This is a question and answer period, so I hope we can keep reasonably calm.

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, unlike the hon. member for Roberval, the Prime Minister of Canada is aware of the gravity of the situation and does not take the destruction of this country lightly.

This country is not just any country. It is the best country in the world. And the Prime Minister of Canada has always been a proud francophone, a proud Quebecer and a proud Canadian. In this, he is like the majority of Quebecers who are proud to be Quebecers but are also attached to their country, Canada. That is where the Bloc Quebecois is wrong.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the editorial writer for the *Daily Gleaner* in Fredericton wrote the following on Monday: "At the beginning of the referendum, the rest of Canada was asked to remain silent". In return for that silence, assurances were given that there would be no promise of constitutional change for Quebec.

• (1420)

Does the Minister of Labour agree that this revelation of an agreement between the Prime Minister of Canada and people in the other provinces outside Quebec is strangely similar to what happened that night in 1980, when Quebec was betrayed by the same man, the same—

The Speaker: I want to ask the hon. member for Roberval to please change the word he used. I would appreciate it if this word were not used in the House of Commons.

Mr. Gauthier: Mr. Speaker, to conform to your instructions, I will change the word I used. So is this not strangely similar to what happened at a time Quebecers remember with sadness in their hearts, when they had problems with the same man, in the same way, with the same players and for the same reasons?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, oddly enough, in this referendum campaign, the three leaders who want the break up of this country had to sign an agreement among themselves. It is the only written agreement in this referendum campaign. On the other side, we have Quebecers who do not want the break-up of this country, and to share the same goal, we do not need an agreement in writing.

If there is anyone today who could not care less about the distinct society concept that we as Quebecers support, it is the leader of the yes side who said in no uncertain terms: "To hell with a distinct society. We want a country". That is what the choice is about on October 30. It is about the break-up of Canada as we know it today, and that is why it is such a serious matter.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday the Prime Minister made the following statement, and I quote: "Any changes in constitutional jurisdiction will only be made with the consent of Quebecers". This somewhat ambiguous statement is devoid of any meaning; moreover, the Prime Minister took great care not to pronounce the words "right of veto", but rather allowed the idea to circulate without ever stating it.

Will the Minister of Labour confirm that the Prime Minister's statement does not in any way constitute a right of veto as Quebec has always understood and demanded it, but is instead a vague promise that is more or less devoid of meaning?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, I think this is evidence of a lack of desire to properly understand what the Prime Minister of Canada said yesterday. The Prime Minister of Canada was very clear about the distinct society and said that he accepted it.

He was very clear in stating that the constitutional changes affecting Quebec will be made after consultation with Quebec-

Oral Questions

ers. He was very clear in stating that this country is undergoing a very great transformation in preparation for the 21st century and that his heartfelt wish is that Quebecers will participate fully in these changes for the 21st century. That was the Prime Minister's message.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Minister is not being very clear. What she was asked involved the right to veto, changes with the consent of Quebecers, these being the words of the Prime Minister, but as usual she is not answering the question. I shall attempt another.

Can the Minister of Labour tell us what reassurance there is for Quebecers in such a statement by the Prime Minister, when in 1992 he overrode the virtually unanimous opposition of the parties represented in the Quebec National Assembly, including the Liberal Party of Quebec, of which she was not so very long ago a member, and the leader of the present Liberal Party had voted against unilateral patriation of the Constitution? This Prime Minister was therefore identifying himself as a Quebecer at the time, and Quebecers were represented at that time by 74 Liberal members in the House of Commons. How can there be any confidence in a person who has reneged on his commitment to Quebec?

• (1425)

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, the present Prime Minister of Canada is very aware of the whole constitutional history of this country. He is also well aware of what has happened in Quebec. He understands very well, too, the disappointment some Quebecers may have felt at certain points in the history of this country. For the past two years, however, this Prime Minister has been leading this country; let us look at what he has done in those two years to respond to the needs of all Canadians, to respond to their concerns, their needs.

When the Prime Minister of Canada speaks, I feel that we can judge him very well by the actions he has undertaken in the past two years as the Prime Minister of this country. He did not govern by "referendum" for the past two years; he has acted, and he has governed this country.

* * *

[English]

FEDERAL SPENDING

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the separatists say that Canada cannot change and will not change but Reformers insist Canada is going to change, and without the help of constitutional lawyers and the federal-provincial wrangling they bring.

One of the real changes Quebec and every other province wants is a limit on federal spending. It is unchecked federal spending that has led to federal encroachment in areas of provincial jurisdiction, huge deficits and debt and a staggering tax burden for all Canadians. Legislation is required to limit federal spending power.

My question is for the finance minister. Is the federal government open to that kind of change, simply limiting federal spending power, a practical change that can be accomplished without constitutional wrangling?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we have been very clear on this side of the House and have agreed with the position put forward by the hon. member and his party as to the need for fundamental change.

We have also said in two successive budgets that what we were doing was not simply cutting spending but redefining the role of government because that must happen in the modern age.

In that area there are items on which we may or may not agree. We have said that as far as we are concerned the best controls on spending we can have are short term targets on which the government's feet are held to the fire. That is what has enabled us to hit our targets consistently and that is what we intend to continue with.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the biggest problem with our current Constitution is not so much its content but its application. The federal government has used its spending power to encroach on provincial areas of jurisdiction such as natural resources, manpower training, social services, language, culture and so forth.

The answer to the separatists is a more balanced federation which can be done by re-examining and reducing the federal role in areas of provincial jurisdiction.

Is the federal government open to this type of change, a simple withdrawal from provincial areas of jurisdiction, again changes that can be made without constitutional wrangling?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, not only is the federal government open to that kind of change but in looking at what has happened over the course of the last two years, we have done this in a number of areas.

The hon. member should look at the great openness displayed by the Minister of Human Resources Development concerning ways he would work with the provinces. He should look at what the Minister of Natural Resources has done. Look at regional agencies. Within Quebec we have taken 43 programs down to one to concentrate on small and medium size business and the

delivery of federal government programs. In department after department we have effected that kind of change and we have done it without any constitutional discussion.

• (1430)

The federal government is concentrating on those areas where it can make the maximum impact and is allowing the provincial governments and municipal governments to do the same thing.

The kind of change the leader of the Reform Party calls for is in the process of happening, but it is happening without the kind of rupture and dismantlement the PQ or the Bloc would advocate. It is happening for the betterment of all Canadians.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, Canadians are offering Quebecers change, real change, not superficial, symbolic constitutional change.

People cannot eat the Constitution. They cannot pay their mortgages with the Constitution. They cannot build their dreams on constitutional clauses.

What is needed today is a changed federal government that respects provincial powers, stops reckless spending and taxation, and gives all provinces the tools they need to develop the strengths of their own communities and economies. That is possible with a no vote.

Is the federal government open to these kinds of changes? Is the Prime Minister open to these kinds of changes? If the government is, how does it propose to demonstrate that openness in practical ways before October 30?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the proof is in the pudding. If we look at what the government has done over the last two years, we see that the fundamental process of change is under way. There is only one thing that can stop the process of change and that is a yes vote, which would make the country go back to square one.

The fact is that a no vote means that the evolution of the country, along with the evolution of the nations around the world, is something that is proceeding apace.

[Translation]

Mr. Speaker, if you want proof that the federal government is open to change, just look at the remarkable speech the Prime Minister made last night in Verdun.

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REFERENDUM CAMPAIGN

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is directed to the Minister of Labour.

Oral Questions

When the Prime Minister talks about distinct society, he keeps referring to a concept that is meaningless and subordinate to the principle of equality for all the provinces, a concept that was rejected by Quebecers in the referendum on the Charlottetown accord.

Yesterday, it was impossible to get a specific answer from the Minister of Labour, so we will ask her the same question today. Could the Minister of Labour tell us what kind of distinct society the Prime Minister wants for Quebec, the one in the Charlottetown accord, which is meaningless because it is subordinate to the equality of the provinces or the one in the Meech Lake accord, which the Prime Minister opposed so strenuously?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, it is quite simple. I will repeat in this House what the Prime Minister had to say about the meaning of distinct society.

“A Quebec recognized in Canada as a distinct society by virtue of its language, culture and institutions. I have said it before and I say it again: I agree”, the Prime Minister said.

Does the Bloc Quebecois agree with a distinct society?

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, yesterday the minister said in this House that Clyde Wells was in favour of a distinct society. Are we to understand that when the minister and her Prime Minister talk about distinct society, they are referring to the same definition as Clyde Wells, in other words, a definition that is completely meaningless and without any of the powers demanded by Quebec for more than 30 years?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, it is such a surprise to see the Bloc Quebecois anxious to defend the concept of distinct society, while their present leader, the leader of the yes side, Mr. Parizeau, says he does not want to hear about distinct society; he says to hell with distinct society. He is just not interested. He is interested in destroying Canada, to make a new country. That is the big difference between the Prime Minister of Canada and the Premier of Quebec.

We want to keep this country called Canada, and we want to remain proud and distinct in Quebec.

• (1435)

[English]

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, my question relates to the Prime Minister's speech last night and other discussions of possible constitutional changes.

Before the Charlottetown accord the Reform Party and the Liberal Party had made commitments that all major constitutional amendments should be done only through national referendum. Is it still the commitment of the Liberal Party that any constitutional changes being planned must be submitted and approved by the people in a national referendum?

Oral Questions

[Translation]

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, what the Prime Minister said yesterday, very clearly, is that any changes in constitutional jurisdictions will only be made with the consent of Quebecers. It seems to me that, as a statement of position by the government, this is very clear.

[English]

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, I think that is a wise commitment and I hope the Prime Minister is prepared to make it to all Canadians.

After the referendum in 1980 we entered into constitutional discussions with a PQ government in Quebec. That proved to be very problematic for the country as a whole and particularly problematic for Quebec.

Does the government believe that the PQ government would be a willing, open and constructive participant in constitutional negotiations?

[Translation]

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, it is very clear that after this referendum, in which we hope with all of our hearts that this country will remain united, the premier of Quebec will still be Mr. Parizeau. Since Mr. Parizeau's sole dream and sole obsession has always been to create a separate country, it would perhaps be a little surprising if he were to sit down at a constitutional conference table. May I express the hope that the premier of Quebec will bow to the democratic vote of Quebecers?

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, my question is for the Minister of Labour.

Clearly, English Canada categorically rejects any possibility of constitutional change in Quebec's favour. This is why the leader of the Reform Party said there was no market for a distinct society, that it was old hat.

Will the Minister of Labour acknowledge that, although the Prime Minister has been saying he wants to enshrine the principle of a distinct society in the constitution, he will be unable to because of the steadfast opposition of English Canada as expressed yesterday by the premiers of British Columbia, Newfoundland and Manitoba?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, I think the words of the Canada's principal leaders are once again being twisted.

What a number of premiers said is that they recognize the principle of a distinct society for Quebec, but wonder whether it was a priority here in Canada at the moment to sit down and change the country's Constitution.

This is what the premiers of the other provinces said. Quebecers are saying exactly the same thing. When asked what the priority should be for their provincial government, how do they respond? Over 80 per cent say it should be the economy, employment, health services or education. Only 8 per cent mention Quebec's political status. So, if we are going to respond to the priorities expressed by our fellow citizens, we must look to the problems before us first and foremost. This is what the premiers confirmed in the other provinces.

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, are we to understand the reason the premiers of English Canada are so steadfastly blocking constitutional change is once again because of the bargaining that went on before the start of the referendum campaign between them and the Prime Minister of Canada in which they promised there would be no constitutional change for Quebec, as the editorial in the *Daily Gleaner* indicates?

Mr. Robichaud: That is disgusting, what she is saying.

• (1440)

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, probably the member for the Bloc Quebecois made a mistake when she spoke of our Prime Minister as the prime minister of English Canada. As far as I know, our Prime Minister, a francophone from Shawinigan, is the Prime Minister of all Canadians.

Some hon. members: Hear, hear.

Mrs. Robillard: And as the Prime Minister of all Canadians, including Quebecers, it is his responsibility to make clear the seriousness of the choice awaiting us on October 30—the destruction of our country, Canada.

I repeat that this is not just any country in the world, it is a country which we are proud of and which we have grown and developed in. I can tell you that everyone who believes in this country will do everything they can so that everybody says no to separation on October 30.

* * *

[English]

HEALTH

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, Reformers in the provinces want the federal government to respect their jurisdiction in health. The minister has resisted this approach until now.

Will the health minister today commit to respect the provincial jurisdiction in health?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, one of the reasons that Canada is the best country in the world is our medicare system.

Oral Questions

The Canada Health Act respects the jurisdictions of the provinces and allows the provinces every flexibility in managing the system but does insist that they adhere to five principles to protect equal access for all Canadians in order that they receive the funds transferred from the federal government to the provinces. That has ensured that we are the best country in the world and that we have the best medicare system in the world.

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, the constructive changes the provinces want would be easy to achieve: stable, predictable funding along with legislation that puts the needs of patients ahead of the needs of bureaucrats.

Will the health minister today agree to meet with provinces that desperately want to have those constructive changes?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I have met with provinces and will continue to meet with provinces. I will work with provinces in any way I can to ensure we have a system that meets the needs of Canadians that is not a two-tier system.

We know the agenda of the Reform Party. It wants a U.S. style two-tier system, one for the better off Canadians and one for the rest of Canadians. That is not the way we built our country and that is not what made the country great.

* * *

[Translation]

REFERENDUM CAMPAIGN

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, my question is for the Minister of Labour.

In his speech yesterday, the Prime Minister indicated that he still favoured administrative agreements as a way to meet Quebec's demand that the federal government withdraw from Quebec's areas of jurisdiction.

Can the Minister of Labour tell us how Quebecers can trust the Prime Minister when he proposes administrative agreements, since the only time he proposed such an agreement—it was, may I remind you, in the area of manpower—the minister, in solidarity with her former boss, Daniel Johnson, rejected it, calling it a third-rate agreement?

• (1445)

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, once again, I will have to quote the Prime Minister's statement in extenso, since the member of the Bloc Quebecois omitted part of the sentence. He said, and I quote: "We will keep open all the other roads to change, including administrative and constitutional means".

I think the intent is quite clear: to keep open both administrative and constitutional roads to change. Throughout this country's history, we have found various ways to make changes, without necessarily reopening the constitution. At this time, we only have to look at the whole issue of immigration in Quebec and all the powers granted to Quebec to choose its immigrants and welcome them into Quebec society. All this was done by administrative means. So we should certainly not set aside this way of effecting changes.

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, in response to Liza Frulla, who, last Monday, called for the federal government's withdrawal from the area of culture, how can the Minister of Labour answer that a mere administrative agreement could be enough to solve the problem, and will she dare give the same answer to stakeholders in the cultural industry?

Hon. Lucienne Robillard (Minister of Labour, Lib.): Mr. Speaker, the Prime Minister stated very clearly that this country is on the road to change and that, in order to meet the challenges of the 21st century, Canada as a whole has no choice but to change because we now face international competitors that were not even on the scene 10 years ago.

We must question our ways of doing things. We must review the role of the various levels of government and this is what we in the federal government will work on after a no vote in the referendum.

* * *

STATUS OF WOMEN

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, at the recent women's conference in Beijing, Canada was awarded the global award by the International Federation of Business and Professional Women.

Can the hon. Secretary of State for the Status of Women explain to us what this award means and on what basis Canada was selected to receive this prestigious prize?

Hon. Sheila Finestone (Secretary of State (Multiculturalism) (Status of Women), Lib.): Mr. Speaker, Canada was indeed honoured with this prestigious prize, and this goes to show that Canada is a great place to live for everyone. This is something we should all be proud of. This government has furthered the cause of women: their equality, prosperity and safety throughout the country, including Quebec. Remarkable progress has been made, and the Quebec minister herself agreed with this and congratulated Canada for it.

The men and women who attended the rally in Verdun last night recognized the benefits of living in Canada, the standard of living we enjoy in this country, and stated that they wanted to live a strong Quebec within a united Canada. They said no to separation.

*Oral Questions**[English]***TRAINING**

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, last night the Prime Minister admitted he is open to all paths for change to the administration of government. One area in which the provinces have long been seeking jurisdiction is training, which Reformers also have long advocated.

Will the Minister of Human Resources Development follow suit and commit to giving the provinces exclusive control over manpower training?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the commitment the Prime Minister made last night about change is something on which we invited Canadians to join with us a year ago in an honest and forthright way to engage in a look at the social systems and the training systems of Canada.

• (1450)

We have had the largest participation of any initiative of that kind. Hundreds of thousands of Canadians participated and the message was clear. They want change. They want more flexibility. They want more collaboration and they want more decentralization.

I have sat down on several occasions with my provincial counterparts to talk about how we can achieve that collaboration. For example, we offered specifically to all provinces the right to take over responsibility for institutional training, all the training that takes place in the community college system.

We have had very positive responses. Unfortunately the minister of employment in the Government of Quebec refused to have a discussion. He refused to hear our plans for collaboration and would not engage in that important dialogue.

The most important way we can give real voice and real life to the aspirations Canadians expressed over the past year about the change they need is to have a vote of no on Monday and get on with the business with the provinces of making good changes to get people back to work.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, I appreciate the answer from the minister of human resources. I will take this one step further, responding to the opening of the door last night by the Prime Minister to change the status quo.

I ask the minister now to commit to a time and a place he will get the provincial ministers together so they can negotiate the decentralization of manpower training.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, over the last two or three months I have held at least eight or nine different meetings with

provincial ministers to the point of discussing how we might come together and get agreement.

In the member's province of Alberta we now have an agreement with the Government of Alberta to set up single delivery systems for young people to help them get back to work, particularly people who have long been out of work. We have in Lethbridge, Red Deer and Edmonton trial projects with the Government of Alberta.

Even in the province of Quebec we have come to an agreement in the city of Alma, the home of the Leader of the Opposition, to have a co-operative joint initiative by the federal and the provincial governments to help unemployed workers in Alma in a co-operative way.

The best way to ensure a speedy timetable of agreement so we can develop a job system relative to the 21st century is a no vote on Monday so we can get back to work as federal and provincial governments and design the best system possible for all Canadians.

* * *

*[Translation]***COUNCIL FOR CANADIAN UNITY**

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, my question is for the Minister of National Revenue. The Council for Canadian Unity is very active these days, since its mission is to promote Canadian unity.

How can the minister justify that, when making donations to the council, large Canadian corporations, including Alcan, Proctor and Gamble, Dow Chemical and Maclean Hunter, can obtain receipts for charitable donations and thus lower their tax liability?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, several months ago, I answered a similar question from the Bloc Québécois. Canadian charities are only allowed to deliver receipts if 90 per cent of their activities are not of a political nature. In other words, only a small part of their activities can be of a political nature. The Council for Canadian Unity has been in existence for 29 years, and it may be that these large corporations received tax receipts. We will see if the 10 per cent limit was exceeded.

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, how can the minister justify that the council is enjoying the status of a charity, considering that, in order to obtain this status, an organization must help alleviate the problem of poverty, or promote education or religion?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, the hon. member is forgetting the other criteria related to that status. Education is one of them. Moreover, the Council for Canadian Unity, which was granted the right to deliver tax receipts, is 29 years old. It was established 29 years ago.

• (1455)

During those 29 years, the council has conducted educational campaigns in Canada. If there is a problem now, I ask the member to provide me with the facts. I will then conduct a review of that charity, and any other charity, if there are reasons to suspect wrongful conduct. If such review is conclusive, the charity will lose the right to deliver tax receipts. However, I need some specific information and details from the member.

* * *

[English]

SOMALIA INQUIRY

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

Counsel from the justice department on Monday circulated a letter which sends a message of intimidation to all witnesses and potential witnesses of the Somalia inquiry. Justice department rules and Treasury Board regulations circumvent the openness of the Somalia inquiry and the protection of those giving evidence. Serving officers fear for their careers if they have to come forward.

Will the minister take some action to put a halt to this form of intimidation?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, this is a matter under the purview of my colleague, the Minister of Justice, who was just called from the Chamber.

However, the letter to which the hon. member referred, written by a Department of Justice official, reflects the long-standing practice of professional conduct with respect to lawyers in that they do not deal with other people's clients without counsel's being informed. That is a basic principle which the Minister of Justice will address.

Mr. Jim Hart (Okanagan—Similkameen—Merritt, Ref.): Mr. Speaker, minutes ago Justice Létourneau called this a matter of real concern.

The minister in March said in the House: "There would be no impediment to anyone coming forward with evidence". Monday's intimidating justice letter is a serious impediment.

What will the minister do to salvage the inquiry?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we do not have to salvage the inquiry. The inquiry is doing extremely

Oral Questions

well under the leadership of three very prominent commissioners.

I am informed by the Minister of Justice that his officials have been discussing this matter with all concerned, including the commission, and perhaps more will be said on this tomorrow when my colleague returns to the House.

* * *

[Translation]

QUEBEC REFERENDUM

Mr. Benoît Serré (Timiskaming—French River, Lib.): Mr. Speaker, my question is for the Minister of International Trade.

Can the minister explain to this House why the members of the Canadian Exporters Association, through their president, Mark Drake, have expressed such concern about the possible consequences a victory for the yes side might have on their future?

[English]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, we are not only pleased but proud to announce that Canada's 1995 exports are 20.3 per cent higher than the same period last year.

Our trade surplus with the United States is nearly \$5.4 billion higher than for the same period last year. To date our trade surplus with the world is more than \$7.1 billion from 1994. This is testimony to the dynamic nature of the business women and men working together across the country.

Canada's membership in OPEC, the World Trade Organization and NAFTA places it in a position to do business in the international markets, unlike individual provinces.

This is testimony that on Monday if we want this prosperity to continue through trade, if we want jobs to increase through exports, we will vote no.

* * *

EMPLOYMENT

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, my question is for the Minister of Human Resources Development concerning the role a company called Jobs Incorporated Canada of Campbellton, New Brunswick seems to be playing in the Canada employment department. I am referring to the fact that this company advertised at the CEC office in Winnipeg for a position that would have had the successful applicant greeting clients and explaining programs at the Canada employment office in Selkirk, Manitoba.

Point of Order

• (1500)

I ask the minister: Who is this company? How much privatization is going on in the Canada Employment Centres? And why is this going on without any consultation with the union?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the answer is very simple. Jobs Canada as an organization has established a coast to coast job bank, which takes application forms from prospective employers and résumés from prospective employees. It provides a nationwide service to enable job seekers to find the best possible jobs.

What we are testing out on a pilot project basis in three locations across the country is how we can take advantage of that vast network of job applications and openings at Jobs Canada and build them into our own job bank so we can substantially expand the job offerings for people who come to the CECs. It is simply one way of using new technology and developing a partnership with a private sector firm to help get Canadians better, higher paying jobs.

Mr. Bill Blaikie (Winnipeg Transcona, NDP): I ask the minister: Why was this done apparently without any consultation with the union in Manitoba? Will he undertake to consult with the union and hear its concerns on this matter?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, yes I will.

* * *

[Translation]

POINT OF ORDER

ORAL QUESTION PERIOD

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the purpose of my point of order is to correct *Hansard* to bring it in line with reality.

During question period, the Minister of Labour no doubt misunderstood what the hon. member for Saint-Hubert said and attributed words to her that she never spoke. She never described the Prime Minister as the “prime minister of English Canada”. She did say, and I have her text in front of me: “Are we to understand that the premiers of English Canada—” This was therefore not a reference to the Prime Minister of Canada, which led to a correction and to applause from our friends across the way. Sorry, but this was not the case.

The Speaker: This is perhaps a point of clarification, but it is not a point of order.

[English]

Colleagues, I do not see any other points to be raised at this time.

AUDITOR GENERAL'S REPORT—SPEAKER'S RULING

The Speaker: I would like to make a statement regarding the point of order raised last week by the hon. member for Winnipeg Transcona. I would also like at this time to thank the hon. member for Kindersley—Lloydminster and the parliamentary secretary to the government House leader for their contributions to the discussion.

On October 18 the hon. member for Winnipeg Transcona rose to question the admissibility of the auditor general's report tabled in the House on October 5. The report, which was sent to the public accounts committee for examination, contained what in the opinion of the member were “politically biased statements”.

• (1505)

The hon. member contended that the auditor general had “overstepped the legal and customary boundaries of his duties as a servant of the House”. He requested that I rule the tabling of the auditor general's report out of order, ask that the auditor general submit an amended report, and refer the terms of reference for auditor general's reports to the Standing Committee on Procedure and House Affairs.

[Translation]

The auditor general's importance to Parliament is indisputable. This House relies on the auditor general to help it ensure that taxpayers' dollars are spent for the purposes approved by Parliament and to assist it in holding the government to account for its actions. Under the terms of the Auditor General Act, the auditor general is empowered to report to Parliament. Under the provisions of Standing Order 108(3)(d), these reports are then deemed referred to the Standing Committee on Public Accounts.

[English]

With all respect, my colleagues, any ruling that is made here in this House affects all hon. members. If any business is to be conducted other than the hearing of my decision, I respectfully ask that it be done outside.

The hon. member for Winnipeg Transcona has long taken an interest in the form and content of auditor general's reports. I recall that he made a member's statement in the House on this very subject on November 23, 1994. It is clear that his view of the appropriate role of the auditor general is not necessarily shared by the auditor general.

Those who follow the proceedings of the public accounts committee know that this is an issue that is regularly the object of some discussion in the committee.

The hon. member is absolutely correct in his assertion that the auditor general is an officer of Parliament. As a servant of parliamentarians and especially of the Standing Committee on Public Accounts, the auditor general must pay particular attention to whatever difficulties members encounter with his reports in the exercise of their parliamentary responsibilities.

Like any officer of the House, the auditor general should be diligent in responding to the views expressed by members, especially when there is a pattern to their complaints, lest there result an erosion of a very special relationship.

That being said, I must point out that the auditor general's co-operation with the House of Commons and the Standing Committee on Public Accounts is well known.

[Translation]

As the Chair has ruled on a number of occasions, it is not my role as Speaker to interpret the laws of Canada. The Auditor General Act lists a number of matters to be treated by the auditor general in his reports to the House of Commons. I do not feel, however, that it is up to me to interpret whether or not what is contained in the auditor general's report meets the criteria of the law. Therefore, I can neither rule the tabling of the report out of order nor demand that the auditor general submit another report, as the hon. member requested.

[English]

Finally, I must stress the fact that the auditor general is not an agent of the government. If there is to be a review of his performance, I must agree with the parliamentary secretary to the government House leader that the proper place to do so is in the Standing Committee on Public Accounts. The estimates and the reports of the auditor general are dealt with in this committee on a regular basis. It is within the committee's mandate to bring to the attention of the House, by way of report, any aspect of the auditor general's report and the conduct of the affairs of his office the committee feels the House should be apprised of and should act on.

• (1510)

Should the hon. member for Winnipeg Transcona still wish to pursue this matter, he has every opportunity to bring it to the attention of the Standing Committee on Public Accounts.

I thank all hon. members for their contributions to this discussion.

Routine Proceedings

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

[Translation]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 94th report of the Standing Committee on Procedure and House Affairs in relation to the list of members of the Standing Committee on Fisheries and Oceans.

With leave of the House, I intend to move for concurrence in this report later today.

[English]

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 95th report of the Standing Committee on Procedure and House Affairs in relation to the business of supply. In this report the committee respectfully requests that its deadline for reporting to the House be extended to March 29, 1996.

Also, if the House gives its consent I intend to move the adoption of this report later today.

HEALTH

Hon. Roger Simmons (Burin—St. George's, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Health, which is on Bill C-7, an act respecting the control of certain drugs, their precursors, and other substances, and to amend certain other acts and repeal the Narcotic Control Act in consequence thereof, with amendments.

I acknowledge the excellent work done by my colleague, the hon. member for Mississauga South, and his subcommittee in dealing with this legislation.

* * *

CRIMINAL CODE

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.) moved for leave to introduce Bill C-354, an act to amend the Criminal Code (transmission of HIV).

Routine Proceedings

He said: Mr. Speaker, I am pleased to introduce my second private member's bill today, seconded by the hon. member for Crowfoot and co-sponsored by a number of my colleagues.

If passed by Parliament, my bill will improve the possibility of obtaining a criminal conviction of anyone who knowingly infects another person with HIV, thereby exposing the victim to the fear and risk of contracting AIDS and certain death if he or she does.

If enacted, my bill will create two new offences related to wilful or reckless acts by a person infected with HIV or a person who has AIDS. If the act results in infection with HIV, the offence is criminal infection, with a maximum sentence of imprisonment for life, the same maximum penalty now imposed for manslaughter. The rationale is that victims infected with HIV face a life of fear of contracting AIDS and certain death if they do. In the event the infection with HIV is not proven, the offence is reckless infective behaviour, punishable by imprisonment for up to seven years.

Consent is often an issue in prosecutions under other provisions of the Criminal Code, and this creates problems for the courts. For example, the question of whether a victim consents—

The Speaker: I think we have the general idea. I thank the hon. member very much for his explanation.

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

* * *

● (1515)

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if the House gives its consent, I move that the 94th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in. This is the membership change report, in case members are confused.

Also, if the House gives its consent, and I believe there is consent forthcoming, I move that the 95th report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in. This report is the one that deals with the extension of the deadline for the report of the committee on the business of supply.

(Motions agreed to.)

PETITIONS

CANADIAN UNITY

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, it is an honour and a privilege for me to present a petition from my constituents stating the importance of young people and how their voices must be heard when we make decisions that will inherently affect their future.

A healthy and safe environment, meaningful employment and education are issues that affect all of us but they have a more profound effect on our country's youth, as does a united Canada, a country which includes Quebec.

[Translation]

These petitioners want to make sure that, when making decisions that affect young people, whether these decisions concern employment, learning, retraining or training, the constitution or this country in general, we take into consideration our young people in Quebec and the rest of Canada.

[English]

PORT OF CHURCHILL

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I have two separate petitions to present.

The first one is signed by constituents of the Yorkton—Melville riding concerned about the port of Churchill. They feel that the full utilization of the port of Churchill will improve the economy not only of the province of Saskatchewan but of Canada as well. There is a need to develop a strategy to utilize this important seaport to ship other exports as well as grain.

Therefore they urge that the upcoming shipping season usage of the port of Churchill be maximized at the very least to 5 per cent of Canada's annual grain shipment.

ASSISTED SUICIDE

Mr. Garry Breitkreuz (Yorkton—Melville, Ref.): Mr. Speaker, I should like to present a second petition on behalf of 796 concerned citizens from my riding of Yorkton—Melville regarding S-241 of the Criminal Code of Canada which was enacted to protect all individuals. If S-241 were struck down or amended, protection to the disabled, the terminally ill, the depressed, the chronically ill and the elderly would no longer exist and our most vulnerable members of society would feel an implied pressure to end their lives.

Therefore, the House is urged not to repeal or amend S-241 of the Criminal Code and to uphold the Supreme Court of Canada decision of September 30 to disallow assisted suicide or euthanasia.

YOUNG OFFENDERS ACT

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am presenting two petitions today.

The first contains 25 signatures and calls on the government to amend the Young Offenders Act.

MINING

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Mr. Speaker, the second petition contains 175 signatures and calls on the government to remove impediments to the mining industry such as overlapping regulations.

The petitioners pray and call on Parliament to improve the investment climate to stimulate the industry and to keep mining in Canada.

YOUNG OFFENDERS ACT

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present to Parliament a petition from the professional teaching staff of Martin Collegiate Institute in the constituency of Regina—Lumsden.

The teaching staff strongly object to the present status of Canada's Young Offenders Act. They feel the Young Offenders Act has failed to address the issue of youth crime and its negative results in our schools, communities and society in general.

• (1520)

They call on Parliament to enact legislation to significantly toughen the Young Offenders Act as quickly as possible, with a view to making young offenders responsible for their actions, making names of young offenders public and increasing severity of consequences for repeat offences.

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition that has been circulating all across Canada. It has been signed by a number of Canadians from Surrey and Delta, British Columbia.

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

Routine Proceedings

GUN CONTROL

Mr. Cliff Breitzkreuz (Yellowhead, Ref.): Mr. Speaker, I am pleased to rise to present a petition signed by constituents of Yellowhead who are strongly opposed to the universal registration provision in Bill C-68. They want protected the right of law-abiding citizens to own and use recreational firearms.

They also are concerned that with Canada's serious deficit and debt problem such costly and unproven legislation should not proceed.

THE ENVIRONMENT

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I have a petition from the citizens of Peterborough and elsewhere in Ontario concerned about the massive spill of cyanide in the Essequibo River in Guyana, South America. They point out that the spill was the direct responsibility of a Montreal based Canadian gold mining firm called Canbior. They also point out that the safety, livelihood and well-being of some 18,000 Guyanese citizens are affected.

Therefore the petitioners call on Parliament to direct an independent inquiry into the incident in order that the Canadian residents and citizens who have a humanitarian and an environmental responsibility in this matter are informed of the steps being taken to arrange for the adequate compensation of people affected and have steps taken to ensure that necessary measures are being taken to correct this environmental disaster.

I have a second petition on the same topic, in which the signers point out that the river in question is the largest in Guyana; that it passes through the rice producing belt of Guyana, rice constituting one of the country's main exports; and that this is one of the worst environmental disasters since the incident in Bhopal.

Therefore the petitioners call on Parliament to intervene on behalf of the Guyanese people affected by sending a trained team of environmentalists to determine the nature and extent of the danger to residents and the environment, and to aid the Guyanese government.

HUMAN RIGHTS

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have two sets of petitions to present.

The first set contains somewhat over 500 signatures from all over Canada including my riding. It requests that Parliament not amend the charter of rights and freedoms or the Canadian Human Rights Act in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Canadian Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

Government Orders

RIGHTS OF THE UNBORN

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have a second group of petitions, again from all across Canada including my riding, numbering some 800 signatures, which prays that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

* * *

[Translation]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if question No. 215 could be made an order for return, that return would be tabled immediately.

The Speaker: Is it agreed?

Some hon. members: Agreed.

[Text]

Question No. 215—**Mr. Abbott:**

What are the names of all the Department of Justice Standing Legal Agents (including civil and criminal legal agents) as of September 1993 and as of June 1995?

Return tabled.

[Translation]

Mr. Milliken: Mr. Speaker, I suggest that all remaining questions be allowed to stand.

The Speaker: Is it agreed?

Some hon. members: Agreed.

* * *

• (1525)

[English]

MOTIONS FOR PAPERS

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

SMALL BUSINESS LOANS ACT

The House resumed consideration from October 24, 1995, of the motion that Bill C-99, an act to amend the Small Business Loans Act, be read the second time and referred to a committee.

Mrs. Pierrette Ringuette-Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, it is a privilege to speak to the House today regarding Bill C-99, an act to amend the Small Business Loans Act.

This is a very important bill, because the program administered under the Small Business Loans Act has an impact on the Canadian economy. The amendments before the House today, which are part of an ongoing process aimed at reinforcing the Small Business Loans Program and making it sustainable, will help improve the climate in a sector that today generates the strongest economic growth and increase in employment in Canada, and I am referring to small business.

It is common knowledge that small businesses have become a major moving force in the Canadian economy. During the past 20 years, we have seen a remarkable increase in the number of new small businesses in Canada. That small businesses are so important is borne out by the fact that in 1991 Canada had, if we include self-employed workers, more than two million small businesses with fewer than 100 employees, an increase of 50 per cent over 1981.

Small businesses today, many of which are dynamic innovators, will help to define the future development of the Canadian economy. In fact, according to the statistics, Canada increasingly relies on the growth of small businesses to create jobs, diversify economic activities and compete effectively on global markets.

Small business has a profound impact on the Canadian economy and will remain the main source of economic growth and job creation.

That is why the present government's main priorities include ensuring that the small business sector is healthy and prosperous.

Take, for instance, the issue of access to adequate financing. As the government was told repeatedly by members of the industry committee, the ability to obtain financing by contracting loans is extremely important for small businesses. Lack of adequate financing will restrict the growth of small businesses and jeopardize the future prosperity of this country. That is why the government passed a bill that will enable the Federal Business Development Bank, once it has been restructured, to improve its response to the needs of small businesses. As a result of changes introduced by the government, the bank will be in a better position to finance innovative small businesses in the new economy.

The amendments to the Small Business Loans Act before us today were drafted in the same spirit as the changes giving a new impetus to the Business Development Bank of Canada. In both cases, the underlying motive is the same: providing an appropriate policy framework that supports the development and prosperity of Canadian small businesses from coast to coast.

Given its broad scope for action and implementation under the act, the small business loan guarantee program plays a large role in the launching of small businesses and in other aspects of their operations across Canada. It also has an impact on similar Canadian programs.

• (1530)

The difficulties experienced by small businesses in securing loans on reasonable terms have been described in great detail in recent years. The extensive consultations held with representatives of both borrowers and lenders during the drafting of Bill C-99 showed that most stakeholders are concerned mainly about access to financing and not so much about its cost. As far as access to financing is concerned, both borrowers and lenders confirmed the usefulness of the small business loan program as administered under the act.

They recognized that the program was especially helpful in times of economic slowdown. With the exception of farms, religious businesses and charities, Canadian based businesses with annual revenues of \$5 million or less may apply for loans under this act.

Almost every small business operating in Canada can now get a loan under the program. Loans made under the act are approved by private sector lenders and guaranteed by the Government of Canada. Loans can be as high as \$250,000 but in the past most loans were for less than \$50,000.

The small business loans program is an important tool to encourage lenders to provide access to debt financing for high risk small businesses, including those which find themselves in one of the following situations: they wish to borrow a small amount or obtain a start up loan; the goods that they must provide as collateral are inadequate or insufficient; they wish to obtain funds to buy new technologies or specialized material; they are active in sectors which are generally considered more risky, such as tourism, retail sales or services; they are not located in urban centres, or they are in regions which are not major economic activity centres.

Clearly, the small business loans program is important to small businesses. Since 1961, when the act came into effect, over 420,000 loans amounting to more than \$15.5 billion were extended to small businesses.

Given the importance of the loan program run under the act, it was a real concern when its annual deficit increased to the point where it might have exceeded \$100 billion per year. Some measures had to be taken, and they were taken. Again, this shows how the program has constantly evolved, thanks to the

Government Orders

Canadian government's ability to implement the necessary changes.

Two major changes were made to the program on April 1, 1995. An annual fee of 1.25 per cent is now collected from each lender, on the average outstanding balance of loans granted after March 31, 1995. The maximum yearly rate which a lender can set under the program was increased by 1.25 per cent, making it equivalent to the prime rate plus 3 per cent for floating rate loans, and equivalent to the residential mortgage rate plus 3 per cent for fixed rate loans. Thanks to these changes, which will be followed by those proposed in the bill before the House, the program will be completely self financing and can therefore be maintained.

• (1535)

Future access to the loan program by small businesses is now basically guaranteed, but the changes included in Bill C-99 are necessary to complete the process. The bill will make it possible to complete the transition to full cost recovery and to improve the mechanisms of the program relating to borrowers and institutions making small loans.

Among other things, the bill will accelerate the coming into force of the reduction from 90 per cent to 85 per cent in the amount of the state's loan guarantee under the act; authorize the making of regulations for setting processing fees; authorize the making of a regulation on the release of securities and personal guarantees accepted by lenders against repayment of small business loans under the act.

It will also serve to improve the situation of institutions making small loans, from the point of view of applications involving guarantees; to ensure that the small businesses loans program can be adapted more promptly to changes in the program and in the economy, by allowing readjustments in the proportions of the guarantee via regulation rather than legislation.

The government is clear in its intent to support small business, which it considers the motor of Canada's economic growth. It has been pointed out to the government on numerous occasions that the best way of helping business, whether small or big, was to control the deficit. The modifications to the Small Business Loans Act are obviously proposed with this in mind.

Thanks to the introduction of a mechanism for users' fees, this program will no longer add to the federal deficit. I would like to take this opportunity to again point out the particularly pleasing fact that transition to full cost recovery has received unanimous support from all interested parties consulted during the drafting of Bill C-99, lenders and borrowers alike.

Bill C-99 will be the end point in a process which will allow a program that is already a nationwide success to continue that success. The amendments will ensure that the Small Business Loans Act remains an important mechanism for implementing government policy in order to foster the growth of small

Government Orders

business across this great land of Canada. These amendments merit the full assent of the House of Commons.

• (1540)

[English]

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I listened to the member for Madawaska—Victoria's speech on Bill C-99 which of course was a Liberal point of view. It was just a reiteration of what she has been told to say by the government frontbench. The things she was saying do not seem to make a lot of sense to me.

The hon. member talked about how the government supports small business. Then she went on to say that the new user fee mechanism will no longer contribute to the deficit because the program is going to be on a full cost recovery basis. The reason the government was putting it on a full cost recovery basis was its concern and desire to try to balance the budget.

I agree with the government's desire to balance the budget but typically, here we are again; the government is going to do it on the backs of private enterprise. The Liberals are going to charge the businesses that borrow money under this act an excess premium on the interest rate. This money will be put into the government coffers and will be channelled through a bureaucratic system to reimburse the lenders that make the bad decisions and lend to small businesses that cannot under whatever circumstances repay the loan. If the Liberals are concerned about supporting small business, why are they doing that?

Some private sector businesses are going to reimburse the losses of other businesses. It will not cost the government one single nickel under this process, yet the hon. member says that the government supports small business. There are two contrary situations here. I would like to hear what the member has to say.

Mrs. Ringuette—Maltais: Mr. Speaker, I am pleased with the question put forward by the hon. member. Notice that the question is consistent with the third party policy of double talk. I have been here for the last two years and I have listened to the hon. member and his colleagues from the third party in this House talk about the fact that businesses in Atlantic Canada were receiving grants here, there and everywhere.

I am talking today about the federal government taking its responsibility toward the small and medium size businesses throughout this country. We are making sure that as responsible politicians, as a responsible government, we can provide the right environment and opportunities from coast to coast to coast for small businesses to create jobs, to look forward to competition and to make sure they can get ahead and increase exports. The member is saying that we do not know what we are doing.

On the one hand Reform Party members are saying to cut grants, cut everything, to even cut health care. Now they rise in this House to say it is not proper for us to make sure there is

security for small businesses to have access to capital and on the same wavelength to have access to exporting their technology.

For nine years I have heard political questions in the New Brunswick legislature and in the House of Commons, but I have never heard double talk to this measure from an hon. member.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I congratulate the member for Madawaska—Victoria for her intervention today on behalf of small business. She has shown great leadership in the last two years for small business in her community.

No one in this House will ever forget the member for Madawaska—Victoria's very first intervention on this floor two years ago when she said: "We will be a government that is lean but not mean". Reform Party members obviously heard her say that but they do not understand where she was coming from.

• (1545)

Reformers forget about some of the great wins Canadians have experienced from Atlantic Canada in terms of business enterprise.

I want to talk specifically about a very small business which received a bit of help in 1979-80 from a Liberal government. It was there. It received about a \$4.2 million grant.

Mr. Williams: Sounds like patronage to me.

Mr. Mills (Broadview—Greenwood): It was not patronage. I remember the principles of the country tended to be more Liberal than anything else.

It was the McCain organization. That very small business has grown to be one of the absolute jewels of industry not just in Canada but throughout the world. It has expanded its business not just in Canada but all around the world. It has created jobs and developed technology.

The Government of Canada got its \$4 million back within the first year. Since 1980 we have probably received 100 times that amount in taxes and job creation.

Reform members really irk me from time to time. They talk about the importance of entrepreneurship. They talk about the importance of enterprise having a proper environment to get the job done. Most of them come from western Canada. Companies in western Canada receive the biggest grants of all, especially in the oil and gas sector. They are given grants which are buried in the tax act. Those tax grants are no different from direct cash grants.

I support the thrust of Reform Party members when they talk about cleaning up, simplifying and developing a fairer tax system. However, they cannot take a cheap shot at an act of Parliament that is trying to help small business without realizing they are giving tens of millions of dollars worth of grants to businesses in their ridings through the tax act.

Government Orders

[Translation]

Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, I thank my colleague for his remarks. Bill C-99 is obviously another example of the way our country is constantly changing. The government cannot create employment as such, but we have a responsibility to create a suitable environment for the development of small and medium size business in Canada, right across the country, from Atlantic to Pacific.

I consider the bill to be a responsible way to meet our obligations to the people of Canada, including the people of Quebec.

[English]

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I am pleased to speak on Bill C-99, an act to amend the Small Business Loans Act.

I believe it is the responsibility of governments to create an environment in which businesses can flourish. This is where most of our jobs will be created. On the history of job creation in Canada in the last year, 90 per cent of all new jobs have been created by small and medium size business. It is interesting to focus on this because this is small business week. Of these 200,000 jobs, one-quarter were created in the province of Quebec; 48,000 new jobs were created by small and medium size businesses.

• (1550)

I talked about creating an environment in which these businesses can flourish. There are two aspects that create a stable environment in which small and medium size businesses can flourish and be effective in their operations of creating new and challenging jobs for a new generation of Canadians.

These two areas are access to capital and access to stable markets. The area of access to capital deals pretty much with the meat of this bill. We have been told time and time again by some of our critics that we must make government more efficient, that we must find ways of cutting costs.

The bill recognizes the federal government was in the position of picking up bad debt losses created by lending practices, lending to some of these businesses which obviously failed.

There is nothing unusual about that. It is not a calamity. It is not a disaster. The loan loss rate within that program was somewhere between 2 per cent and 4 per cent. This is quite normal in the banking industry.

Basically the Small Business Loans Act attempts to create a federal government guarantee which encourages financial institutions to lend to small and medium size businesses.

Some may ask why these institutions do not do it without the guarantee. Most of these loans were for capital projects. Our financial institutions for a variety of reasons have become very much short term lenders. They lend on the strength of things like accounts receivable and inventory, things they believe they can quickly liquidate.

When a small business is setting up it needs manufacturing equipment, possibly delivery vehicles, whatever the case may be, equipment that has a long and useful life, but it also clearly takes a long time to pay off a loan based on the income flow from that.

Banks have not always been as active as perhaps they should. Small or medium size businesses, which are sometimes emerging businesses, also have instability to some degree in their financial records.

Quite often banks, being very conservative lenders, are looking for a long track record. Our emerging industries today do not necessarily have a long track record. Consequently they may have one or two-year financial statements and so forth but the banks are very cautious. They would rather lend to governments than to businesses.

It has been necessary for the government to recognize there are inequities within our capital markets and create a program that will attract financial institutions to lend to small businesses to get them established and create jobs.

It is no small miracle that the government can claim some responsibility for these 200,000 new jobs created in Canada in just the last year because at the same time we have witnessed the increase in the small business loans program. This program lent \$500 million prior to 1993. That moved up to \$2.5 billion in 1993-94 and to over \$4 billion in 1994-95. That kind of tremendous growth shows the demand in the small business sector for this kind of lending.

• (1555)

If we take our loan loss provisions of 2.5 per cent roughly and move them through that increase in volume we will see it is possible the government could be facing loan losses of \$100 million.

What has the government done? It has recognized what it should do, not unlike what any financial institution would do, and build that cost into the lending provisions. Essentially it has created a fund as part of the application fee, a new 1.5 per cent fee added to the cost of borrowing this money and then it is spread out over the term of the loan in order to provide for as much as \$100 million of loan losses.

Government Orders

All banks do this. All financial institutions carry on this way. It is not unusual. I am surprised the third party takes some exception to this. Small business people understand it. We realize even when we go to our local supermarkets to buy consumer goods that within the cost of purchasing are things like theft. There are other provisions for products that go bad and so on. That is the normal course of business.

I commend the government for getting its economic house in order by recognizing, as small business people do, that it cannot be responsible for all small business ills. The government has created a situation in which small business can get access to capital. That is really the whole point of the Small Business Loans Act, to provide access.

I served on the industry committee which produced the report "Taking Care of Small Business". Over and over we heard from small and medium size businesses that their major concern and problem was access to capital, not so much the cost of the capital but the access.

In some of the provisions we talk about increasing the lending interest rate from prime plus one to prime plus three. Emerging businesses do not like to pay more interest than they have to but realize that a 1 per cent or 1.5 per cent increase in interest rates is still well worth it to them to get this seed money to get themselves established.

When I talk about access to capital it is interesting also to note capital markets. What has happened with our debt and deficit situation is many governments are competing in the marketplace with small and medium size businesses for capital. This is why we have to get our debt and deficit under control and why I am happy the government is very much on that course and on a target to effect that.

In Quebec a referendum is due next week. Quebec borrows something over \$70 billion. That is the size of its debt right now. Interestingly, 54 per cent of it is financed outside of Canada. It seems odd that we are going through the process of a referendum in Quebec which costs \$66 million, as stated in *La Presse* recently. By extrapolation almost \$35 million of the cost of the referendum will have to be borrowed from people outside of Canada to ask the people of Quebec whether they want to be an independent country. It seems ludicrous.

That is the problem of the capital markets. I would like to address the issue of markets. Clearly, the small business man or woman is not just looking for capital for machinery. He or she needs a market to serve.

• (1600)

There has been much talk about the globalization of our economy and the need to have easy access to markets. Indeed, agreements like the North America Free Trade Agreement and the GATT address that cause.

A recent study by the OECD on the whole aspect of small and medium size business is very interesting. The European Union and other members of the OECD are very interested because all these countries recognize that small and medium size businesses are going to be the employers of the future. A recent report, I believe from October 1995 said: "Sudden national economic growth will be enhanced if government policies are co-ordinated and targeted so that they strengthen and reinforce regional and local systems. This should improve the conditions that encourage new and small firms".

While we are talking about these markets, once again we are talking about a debate that is going on in the province of Quebec that would basically balkanize those markets. It would create barriers to markets, would make the markets much smaller for these 48,000 people who are employed in small business in Quebec, because a nation defines its markets within its political boundaries and operates within those political boundaries to its own best interests.

I am trying to say that the bill is very much a necessity and should be supported. More important, some of the debates that are going on within our country today are simply ludicrous. I am talking specifically about the referendum in Quebec. It will create more barriers for small and medium size businesses. The ability to create new and challenging jobs within Quebec and to some extent in the rest of Canada is going to be adversely affected by that process.

In conclusion, I would like to say that I am very supportive of the bill. I am certain that the small business community is also very supportive, understanding, and respectful that the government has taken the initiative to continue this program to increase the volume that is available to small businesses. I am sure we will see creation of more new jobs within our economy in the near future because of it.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I want to compliment the member for Durham on his remarks. I especially want to thank the member for Durham for all his work in committee during the last two years since his coming to the Parliament of Canada.

One reason we have had such success and why I believe small business is heading in the right direction is because our team of Reform Party members, the Bloc, and Liberals all worked together on the committee to try to make sure we had a fist when we went to the banks and other financial institutions as we were pleading for help in accessing capital for small businesses.

My question for the member has to do with start-up. In his experience as an accountant helping small businesses deal with banks, does he not think that one area we are going to have to do a lot more work on is making sure that the attitude and culture of bank managers changes dramatically toward people who are starting businesses versus people who have been in business for a long time?

Government Orders

• (1605)

With all of the downsizing going on in both large businesses and governments right now, we have many people who are starting a business for the very first time. In order to really achieve success they are going to need help from financial institutions in this country. I believe that banks are going to have to change their attitudes dramatically for start-ups.

I wonder if the member for Durham, who is also an accomplished accountant in his field, could comment on that.

Mr. Shepherd: Mr. Speaker, I would like to thank the member for Broadview—Greenwood. I have always been interested in what he says. We do not always agree 100 per cent of the time, but basically our orientations are in the right area, which is to increase capital for small and medium size businesses.

The member is absolutely right. Banks in this country have forgotten just what they were doing. Banks originally started off many centuries ago investing in ideas. They invested in people's grey matter. They invested in their ideas about making life better and increasing people's standards of living. I have noticed that banks now invest in financial transactions. Our banks in North America are very oriented toward paper currency transactions. Indeed, I think if we were to study the balance sheets of most of our banks we would see a high percentage of their assets being held in government securities, et cetera. This has become a linkage in the global environment.

The reality is that these debts and financial instruments do not do anything. They do not create any more jobs. They do not create or take a piece of technological science and turn it into something useful.

What do we see in North America? We see people like Bill Gates, who had to work out of his garage to get his ideas going. People have to go and find others who will give \$50 to buy so many shares and maybe later on some of that will come back. The banks say that sounds pretty wild.

I have a specific example of this in my own riding. I had the pleasure only last week of congratulating an entrepreneur for winning the Canadian woman entrepreneur of the year award in the area of export. This woman many years ago was my client. She was making strips of fur and putting them on strings. I must admit that even to me it sounded ridiculous at the time. What she did with that was to create a reversible fur coat. I went to various banks for her, and they said: "What are you going to give us as security, strips of fur? Get out of here." Do you know who finally picked up this account? It was a bank from England, not a Canadian bank.

That woman today employs hundreds of people. It is a small business in my riding that has given jobs in basically a rural area. Her product is shipped all over the world, mainly to Japan and Southeast Asia. She is creating jobs and hard currency exchange for our government and our country without the support of banks.

Yes, the member is absolutely right. This whole attitude in our banking system has to change. We have to get on board and support our small and medium business sector.

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I have one simple question I have asked of other members. It is on the full cost recovery being put forward by this particular legislation.

The hon. member for Broadview—Greenwood talked about the fact that small businesses needed the impetus available under the Small Business Loans Act. But here they are being asked to pay for something they think they are getting from the government. Small business people who borrow under the Small Business Loans Act are being asked to pay for absolutely everything, every benefit that is being provided under the Small Business Loans Act, which seems to me a big circle of laundering the money through the government. I would like the member's response as to what benefit this will really provide to people who are borrowing under the Small Business Loans Act.

• (1610)

Mr. Shepherd: Mr. Speaker, the member for St. Albert keeps going over this. Repetition is a great educator, so hopefully he will listen a little bit more this time.

First of all, there is nothing terribly unusual. This program has been set up in the best interests of small and medium size businesses.

Let us look at the other side of it. What will we do if in fact the government did not try to recover this bad debt loss? What does it mean? Does it mean that we do not have a program, period? We know it has been very successful. We know that using this system has assisted many and has probably created thousands and thousands of jobs in Canada.

Maybe the member wants the government to fork out \$100 million a year in loan losses. Is it the responsibility of Reform Party members to tell the Government of Canada to cut spending, get its act together, and if it wants to give away \$100 million on loan losses that is fine by them?

There is nothing unusual about cost recovery programs. They happen in the business world every day. Here we have the government acting like a business, creating opportunities for small business but at no cost to the taxpayer.

Government Orders

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, this latest exchange between the member for Durham and the member for St. Albert reminds me of the similarity between a computer and an accountant: We have to punch the information into both of them.

Given that the banks these days have the reputation of giving you an umbrella on a sunny day and taking it away on a rainy day, and given that banks today have the reputation of tightening up their credit, I would like the member for Durham to tell us how this will force banks to increase their loan portfolio to small businesses.

Mr. Shepherd: I thank the hon. member very much for the question.

First, the whole concept of a guarantee creates the opportunity for the bank to lend money that clearly it would not lend on its own accord. I note in the legislation that in fact we have actually lowered the loan guarantee from 90 per cent to 85 per cent. If we simply look at the growth and the volume within the small business loans program in the last three years, there is no question that there has been a demand, and a demand that has been satiated, if you will, by financial institutions.

Clearly, the program is on a success course and it continues to be on a success course. In fact it was the government's orientation to say this was very successful and we want it to expand, we want it to grow more, we want to make sure there is more money available for small and medium size businesses. At the same time, we also want to make sure we are not going to be on the hook for it.

One of the complaints of this program has been that a lot of the money was getting out to businesses that could have possibly financed loans without the Small Business Loans Act; in other words, possibly banks were misusing the program or possibly larger companies were getting the benefits of the program and they did not really need it. By lowering the guarantee aspect of this loan, we will also be ensuring that we direct it at the very new and emerging small and medium size businesses.

• (1615)

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I am particularly pleased to have the opportunity to say a few words in the debate pertaining to small business.

It is not all that often we get a chance to talk about small business in the House, and we really should. With the indulgence of the Chair and with the indulgence of colleagues present I hope to stray a little from the direct confines of the bill. I know it is most unusual in the House to stray away from the subject matter at hand. I hope to talk about small business in general, to talk about how important small business and entrepreneurship are to our country, and to provide a few words of encouragement for small businesses out there that are struggling today.

Can we imagine what it must be like for an entrepreneur in Quebec even as we speak? We have a situation of systemically high unemployment in Quebec. It has been that way for years, ever since the last separation crisis in 1980 when the people of Quebec chose to elect a separatist government. All that did was give U-Haul one-way traffic to Toronto a bonanza. Ever since the election of the first Parti Quebecois separatist government in Quebec, what has happened? Toronto has prospered largely at the expense of the self-inflicted wounds of the people of Quebec.

All the country has profited because the separatist government in Quebec insists on shooting itself in the foot with separation every 15 years or so. I am sure that is what is ongoing in the province of Quebec.

If the people of Quebec want to do something really worthwhile for their futures, they will resoundingly reject the separatist option. They will resoundingly reject any notion of getting out of the country and will work together to make the country stronger. If they do that it will get entrepreneurs investing in small businesses in Quebec.

It is about the willingness of people. It is not banks or governments that get businesses going. It is individual people who are prepared to put up everything they have in the world, including their homes and borrowing money from their friends and their families, because they have a dream or an idea to see through to fruition. We should be celebrating the fact that we have these people. These are the people we should be asking in Quebec, because there is systemically high unemployment, how we can go about reversing it.

Let us provide stability. Let us make sure that when people start businesses, particularly in Quebec, they do not have to go through never ending navel gazing, gnashing and worrying about tribalism and nationalism in Quebec. Why would anybody put up with that if they could invest their money in a jurisdiction that does not have such problems?

We have these wonderful people who have invested of themselves. They have put their hopes, dreams and aspirations on the line. What happens when they go into a bank? I can speak from personal experience because I have gone through it, as have other members of the House, many people watching on television today and perhaps a few others who might read the debate.

It is not like going into K-Mart or some other store where they shake hands and say: "We are glad to see you. What can we do for you?" The first thing they say is: "Are you going to do that? We already have a few of these. Didn't you know that somebody just went broke doing this a while ago? If you are to do this, if you are to set up this service, if you are do that, you had better make sure that you can guarantee the borrowing of \$1,000 with \$2,000".

Instead of the entrepreneur being encouraged, the first remark that comes through is: "We have to protect our depositors' money. Therefore we have to make sure that we do not take any risk at all because you want to borrow \$75,000 or \$100,000". That is what got the Government of Canada into small business loans in the first place. We ended up as a nation guaranteeing loans that rightly should have been the purview of the banks.

• (1620)

The banks have a licence to print money in Canada. When is the last time we saw a small, humble bank building? In every city in Canada the four pillars on the four corners of shiny office buildings are bank buildings. That is the way it is. Meanwhile the people of Canada through the tax base are subsidizing the banks. That is what this is all about.

When they went into banks to get loans, the loan officers said that they could not have them because they did not have enough money. The banks had their houses, first born, bicycles and cars. The banks had everything they had in the world but they still did not have enough money for them to feel safe and secure about lending money. If they can lend money to another country and write it off that is okay, but they did not have anything for the small business person, the entrepreneur, the dreamer.

What happens then? The government has to step in and through the Small Business Loans Act guarantee the bank about 95 per cent of the loan at a rate of about 1.5 per cent above prime. Generally speaking any other business paid prime plus two, so there was an obvious magnetic pull to write all small business loan transactions that could possibly be written by the banks and have them guaranteed by the people of Canada, which did not make any sense at all.

The previous legislation raised it so at least the interest rate charged was on par or a little more than the interest rate charged to people who did not have a government guarantee. The amount that would be guaranteed by the government was to be reduced somewhat as well.

As earlier speakers have said, the problem with financing small businesses is not how much people have to pay for the money, within reason. The problem is how to go about getting money in the first place. No matter how good the business plan, if the business person does not have a track record, does not have money and cannot guarantee at least 200 per cent, the chances of getting the loan are somewhat remote. This is why the Government of Canada and the people of Canada, through the Small Business Loans Act, are in the business of protecting the banks. The banks will not do it unless we hold them harmless through the Small Business Loans Act.

In a perfect world we should not be in this business at all. That is what banks should be doing. However we are not in a perfect world. We need to ensure we nurture and help small business

Government Orders

people or entrepreneurs. That is why the legislation is so worthwhile and necessary.

However our job as members of Her Majesty's Loyal Opposition is to oppose bills not just because we want to oppose them but because we in opposition in Parliament can cause the government to rethink some aspects of its bills and make them better. If all we did every time the government brought forward a bill was to say it was great, roll over and not pay any attention, we would not be fulfilling our function as opposition in the Parliament of Canada.

While it is basically a very good bill it has a flaw I would like to point out to members opposite. I hope the government sees the error of its ways and changes it. The amount of money involved in a guarantee could be changed by order in council. It would not have to come back to the House to be debated. That sets a fairly bad precedent. We are talking about the financial responsibility of the Government of Canada and a change to the financial responsibility of the Government of Canada. These decisions should not be decided in a backroom somewhere, even if the backroom has a cabinet table. They absolutely must see the light of day. They must have sunshine, that being the best disinfectant of all. These decisions should come back to the House. In a majority situation it is not likely they will be changed anyway. The government will have its day no matter what the opposition might have to say about it. The bill would be improved somewhat if the provision in it, which allows the government by order in council to change the ratios, was amended so that it had to come back to the House.

• (1625)

I should like to spend a few minutes talking about small business people and where we are going a bit off the rails. The people of Canada who are prepared to give of themselves as entrepreneurs to create wealth and employment across the country are very often at great risk to themselves and to the capital they have built up. They should in some way be honoured. It seems passing strange that the people most revered and honoured in society are hockey players, for instance, who might earn a couple of million dollars a year playing hockey but have never created a job or actually put their lives on the line.

Some accounting firms and chambers of commerce are beginning to recognize that as a nation we need to applaud and encourage entrepreneurship and innovation. To be an entrepreneur or an innovator who creates wealth is a necessary and fundamentally important function any citizen can provide.

I recall attending a meeting sponsored by the Edmonton Chamber of Commerce. The person who appeared at the meeting came from a small town in Colorado. He had won a prestigious international award. His company had gone from nothing to worldwide sales of approximately \$500 million a year. His company manufactured tapes used on computers to back up the

Government Orders

memory. They cannot make mistakes with these tapes; they have to be highly precise.

The town in Colorado had an IBM manufacturing facility. IBM wanted to move it to Florida or some such place. Many key people in the business did not want to leave their town because of the life they could lead there; they loved living there. Rather than moving they left the company. They thought to themselves that they were smart, innovative people and wondered what they could do. They decided they would make the world's best recording device, magnetic tapes for computers. They did it by innovation.

He drew to our attention that the town had since become the hub of innovation and entrepreneurship. The people in that town have a week in which to celebrate the leadership derived from small business people. The innovators and entrepreneurs are part of the social fabric of the town. They have star status because the people understand the value of entrepreneurship and innovation.

All across the land thousands of men and women, young and old, have put everything they own on the line with the bank to support their small businesses. They are truly the stars of our economic system. They are the people we should be celebrating, not the big business people who have grants, handouts and loans from the government. It just makes one sick. The bigger the business is, the bigger the hand is into the banking system and into the government system. This is what we must put a stop to. It is wrong to have our priorities so misplaced that we do not recognize what small business people and entrepreneurs contribute to our society when all we can look at are the big mega stars.

• (1630)

Mr. Speaker, I thank you and my colleagues for the opportunity to make the case for small business in our country. I applaud anything we can do to build and strengthen that sector of our economy.

Mr. Bob Speller (Haldimand—Norfolk, Lib.): Mr. Speaker, I took note especially of the part of the hon. member's speech which dealt with the question that has been on the minds of most Canadians over the past few months. It is the question of Quebec separation and its impact on the small business community in Quebec. I thank the hon. member for his comments on that. They made a lot of sense.

The fact remains that in an independent Quebec it would be a lot more difficult for small business people. Certainly the surveys that have been conducted throughout the referendum bring this to light.

In a survey that was conducted by the Canadian Chamber of Commerce of people who create the jobs in Quebec, the small business people, almost two-thirds, 64 per cent, of Quebec businesses believe that Quebec's economic prosperity would be diminished under separation. A strong majority, 55 per cent, believe that the business relations and trade with the rest of

Canada would worsen under separation. More than a majority, 53 per cent, of Quebec businesses believe that their benefits and profitability would diminish if Quebec voted yes.

In another public opinion survey almost all the respondents, 93 per cent, expect long and difficult negotiations with the rest of Canada in the event of a yes vote. More than four out of five people, 83 per cent, think that Quebec's separation from Canada would have a negative impact on Quebec's economic development.

There is another survey of small business owners. Almost two-thirds of the small business owners in this survey chose Canada. They felt that the best route, the best way for their own economic prosperity would be through staying in Canada.

I think back to my own experience in a rural part of our country. I know the hon. member is from a big city and talked about the banks in the big city. In terms of small business people in rural Canada, obviously farming and farmers are a critical component to the small businesses in rural Canada and rural Quebec also. The whole question of supply management and where that goes in a separate Quebec is a major question.

These people should not be fooled. We brought in supply management a number of years ago with the support of Quebec farmers who were a major part in getting that. The whole concept behind supply management is that we are able to protect the local market, our current market under GATT and international rules. If Quebec becomes a separate country that will not be the case. They will not be able to protect that market.

Today in the industrial milk area Quebec holds about 47 per cent of the Canadian market. It is a very important aspect of it. The hon. member knows that. It would be folly to say to Quebec dairy and supply managed farmers that they would be any better off in a separate Quebec. In fact the whole nature of it would fall down. Granted, it would not only hurt Quebec dairy farmers, it would also hurt Canadians.

I ask the hon. member if he is aware of these statistics and these polls. Is he aware of the fact that the majority of Quebec's small business people feel that they would be much better off in Canada?

• (1635)

Mr. McClelland: Mr. Speaker, the member opposite raises a valid point. As a matter of fact even as we speak the tariff on milk is 350 per cent.

It just absolutely boggles the mind how members of the yes group are able to go through Quebec like Johnny Appleseed spreading these little bits of misinformation all over the place. This debate is on a level that has no intellectual veracity or honesty in it whatsoever. The debate is purely cosmetic. People who scratch below the surface of the debate will understand very quickly just how devastating the result of a yes vote will be to the people of Quebec. It will hurt everybody in Canada, but it will hurt the people in Quebec far more.

The tragedy is that nothing the Quebec nationalists want to achieve can be achieved outside of Canada that cannot be achieved within Canada. In my view, the very protection of the language and culture they profess to be so concerned about is better protected within Canada. Anyone can bet that on a wide open North American market the French of Quebec will very soon be like the French of Louisiana. They just will not have the bulwark of Canada to protect them.

Lest anyone in Quebec who is watching this thinks that my words are hollow and empty, they should be aware of trade by Quebec with the rest of the country. The hon. member's question has given me the opportunity to put this on record. Lest anyone thinks that a free ride will be achieved by the people of Quebec in terms of their economic future, they should keep in mind that in 1989, the last year for which accurate figures are available, interprovincial trade in Quebec had a balance per year of \$1.8 billion dollars in favour of Quebec. If they think that would happen after a yes victory, they can think again. The bulk of that was in protected industries.

That brings us to the free trade agreement, internal trade barriers and how ludicrous it was for us to get involved and the hypocrisy of government members opposite supporting the free trade agreement now when they did not in opposition. I supported it wholeheartedly as a private business person. I certainly did not support the method by which the Conservative government took us down the road to free trade. This is apropos in my view to what is likely going to happen to the people of Quebec if they were to be irrational and vote yes.

We went into the free trade agreement and got clobbered as a country. We did so because we went into the agreement with the highest interest rates we had historically, the highest dollar we had historically and industries across the country which had been protected by tariff barriers for many years. Our industries were not competitive with those in the United States. Is it any wonder we got clobbered. Imagine the Monty Python movie "In Search of the Holy Grail". We were the knight at the bridge and when we finished we had the knife in our teeth and no arms or legs. All we could say was: "Fight fair".

I saw our chief negotiator, Simon Reisman, on the Sparks Street Mall the other day. I wanted to ask him: "Did you not think about this?" I have really wondered about this. Surely the government of the day must have been aware of the situation we were getting ourselves into. Maybe it was not, but it certainly should have been.

If that happened to us as a country, what is going to happen to Quebec as a country in a free trade arrangement with Canada and the United States? Will Quebec have a high dollar? Probably

Government Orders

not. Will it have high interest rates? Very likely. Will Quebec have industries that are capable of competing efficiently in the North American market? Probably not. Are they going to have an easy ride of it? Probably not.

• (1640)

It would seem to me to be very prudent for those people in Quebec who are wondering whether or not they should vote yes or no, if they choose to vote yes, the one thing they can be absolutely assured of is they will be paying a financial premium for many years for voting yes. They will have many years to think about it because it is not something that will cure itself overnight.

[*Translation*]

Mr. Bernard St-Laurent (Manicouagan, BQ): Mr. Speaker, the comments made by the hon. member for Edmonton—South West come very close to being a threat, when he says that Quebec better not think that the day after a Yes vote it will be just as easy to negotiate from province to province, and so forth, but in a way that is distinctly ominous.

However, I agreed with what he said when he commended the business community on its initiative, courage, determination and vision of the future. The Bloc Québécois and, in fact, all Quebecers could not agree more. These people are driving 85 per cent of our economy, at present.

However, I fail to understand why, in the same breath, he attacks the people of Quebec who had the initiative, the courage and the vision to choose a country for themselves. That he does not like.

So I want to ask the hon. member this: When he says Quebec had better not think it will be easier, should we take this as a threat or simply as the way people talk who cannot tolerate the fact that others decide to simply make a decision?

[*English*]

Mr. McClelland: Mr. Speaker, it is certainly not a threat. It is a statement of the reality of the situation that faces all of Canada, but will face the people of Quebec to a greater degree for a longer period of time than it will everybody else. It is not a threat. It is a statement of the obvious. It is a statement of fact.

In the democratic process people are elected and there is a fiduciary trust responsibility we are prepared to accept the moment we stand for election. That is in everything we do, we will do it not for the betterment or enrichment of ourselves or for self-aggrandizement but we will work for the people who have entrusted their lives to us as their members of Parliament, their elected representatives.

Government Orders

When a person is elected to high office, which is a member of Parliament, there is a trust responsibility to do the very best one can in the interests of the people being served. It then follows that it should be to protect their economic, cultural and ideological interests. It should not be to take them down a treacherous path when they are standing above a precipice. That is not the fiduciary trust responsibility of a person elected to high public office in Quebec or anywhere else in Canada.

[*Translation*]

The Deputy Speaker: Before we continue the debate, it is my duty to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Regina—Lumsden—pharmaceutical products; the hon. member for Davenport—the environment.

[*English*]

Mr. Tony Valeri (Lincoln, Lib.): Mr. Speaker, I welcome the opportunity to speak on the subject of Bill C-99, the act to amend the Small Business Loans Act.

• (1645)

I will make some comments a little later on entrepreneurs because they are really the heroes of Canada. I echo the comments made by an earlier speaker that entrepreneurs are really the basis of what makes up the country. We need to create the climate to encourage entrepreneurship.

My colleagues have spoken at length about the specifics of this bill but I will talk about how the amendments to the Small Business Loans Act fit into the federal government's plan to create a climate for business growth in Canada.

It is often said a business plan is only as good as the economic foundations on which it is built. The federal government has targeted the national debt as the number one impediment to business growth. That is why last February the Minister of Finance introduced a budget that will cut \$29 billion over the next three years, the largest set of budget cuts since Canada demobilized after the second world war.

We also undertook at the same time a thorough review of federal government administration and spending in the non-social program area. The objectives were to get government right, to ensure taxpayers were getting value for money and to encourage Canadians toward building a more innovative economy.

The result of this has been a major change in our approach to sector development in industry and in the role and function of the industry department. It is obvious old style industrial development strategies are no longer workable. Some might argue they never were, but our goal as a government is not to affix blame for the past but to set a course for the future.

The challenges for government, for Industry Canada in particular, are to help small business compete and to promote a business environment that will lead to job creation, a competitive economy that is a thriving economy, one that will take Canada to its rightful place in the global economy.

Small and medium size businesses are leading the way in terms of innovation and job creation, there is no question. I meet with constituents regularly, small business people and entrepreneurs who come to the constituency office and share their ideas and their enthusiasm to create employment and make Canada a better place to live.

During the 1980s in Canada small and medium size businesses were responsible for 87 per cent of all new jobs created. Since the last recession they have accounted for over 90 per cent of the net new jobs created. On average about 300,000 firms or self-employed entrepreneurs have started a business every year for the past 10 years. SMEs account for almost two-thirds of the private sector employment.

The main thrust of government support in industry must be small business, I think we are all in agreement in the House. Small business has a major role to play in reducing unemployment. Despite the fact that small business is clearly the way of the future in Canada, there are still too many impediments to SMEs truly coming into their own. One of our priorities is to reduce or eliminate those impediments wherever possible.

A fundamental impediment is the access to adequate financing. The banks explained to us on the industry committee the improvements they are making in this area. Entrepreneurs and small business owners stated the difficulties they are having accessing capital. It is crucial for us to deal with this issue. The availability of capital has been a source of frustration, no question.

SBLA loans have played an integral part in helping small businesses gain access to capital needed for start-ups, expansion and growth. The program's success both as an economic development tool and as an example of public sector-private sector co-operation has inspired similar government programs at both the federal and provincial levels.

Since 1961 more than 420,000 SBLA loans, totalling over \$15.5 billion, have been made to small business. Virtually every small business in Canada is now eligible to borrow under the SBLA program providing that its annual gross revenues do not exceed \$5 million. We are targeting the small business sector.

• (1650)

In recent years the SBLA program has been running at an annual government cost of \$20 million to \$30 million. However, following a significant program change effective April 1, 1993 the annual lending activity increased from \$500 million to \$2.5 billion in 1993-94 and to over \$4 billion in 1994-95.

Assuming a continuation of the historical loss rate, this meant the annual program costs would increase by over \$100 million. Clearly this was a threat to the sustainability of the program.

The potential cost of the program and the government's overall need for deficit control required that the program be brought to full cost recovery. With respect to full cost recovery, it is interesting to note that the users of this program both on the small business side and the lenders side, the parties that have been consulted, support the move to cost recovery.

Through the consultation period the government has asked for input on the changes to the program and it is reflected in what we are seeing here today.

Recommendations of the industry committee and the small business working committee were also taken into account. All stakeholders supported the move to full cost recovery. Two major changes were made through regulatory amendments with an effective implementation date of April 1, 1995.

First, a new 1.25 per cent annual administration fee is being charged on each lender's average outstanding balance of SBLA loans made after March 31, 1995. Second, the maximum interest rate that a lender can charge under the program has been increased by 1.25 per cent to prime plus 3 per cent for floating rate loans and to the residential mortgage rate plus 3 per cent for fixed rate loans.

To complete the move to full cost recovery and improve the administration of the program, other changes are now being made by Bill C-99. These proposed changes will allow the release of security, including personal guarantees, improve the government guarantee coverage for small lenders, and provide for the introduction of a government processing fee on lenders' claims.

To add flexibility to the program and permit the easier fine tuning, parliamentary approval is being sought so that future changes to the level of government guarantee can be implemented through the regulatory rather than the legislative process.

It was stated earlier that the one change the third party would recommend is an amendment to this part of the bill. In the consultations I have had with small business, one of the criticisms it has had of government policy is that government is often unable to react quickly when a situation changes.

Business groups have often asked for greater flexibility to deal with these issues. It is exactly that which this part of the bill is reacting to, adding the flexibility to the program and permitting the easier fine tuning.

Government Orders

These changes also mean that the SBLA will be better targeted toward small businesses that really need its help. An estimated 30 per cent to 40 per cent of SBLA loans go to businesses able to access normal commercial financing.

After the changes financially strong businesses will switch to lower cost commercial financing. During the consultations small businesses told us repeatedly that the primary issue is access to capital and not the cost of financing.

When I meet with entrepreneurs in my community, as we all do as members of Parliament, they are looking for the opportunity, the chance to make their idea work. They appeared before the industry committee. They have met with their members of Parliament. The message is getting through. By making this change we will be targeting the SBLA program at start-up companies and companies in the expansion mode that need capital.

• (1655)

During the consultations small businesses told us that making the SBLA self-sustaining will ensure continued access. We agree with that.

We have been told repeatedly, I am sure the third party would agree, that the best thing government can do for business, large and small, is to get the deficit under control. The proposed changes to the SBLA are a step in that direction. The proposed changes will ensure it remains an effective and viable instrument of support for small business in Canada. It will certainly remain an integral element of our comprehensive plan to create a business climate which will enable Canadian small business to grow and create jobs in the global economy.

The objective of the bill is to continue the process of the modernization and improvement of small business. The proposed changes relieve Canadian taxpayers of the financial burden of the program. We have been asked to do that.

Small business created 90 per cent of new jobs in 1994. The government has placed support for small business at the top of its agenda for jobs and growth.

It is crucial that we continue to bring forward bills which will help to create a climate that will encourage entrepreneurs to continue to dream and create their own companies. They will help Canada by creating employment. That is the thrust of the bill. We must convince the banks that small business people and entrepreneurs are the cornerstone of our economy; they are our future.

This and the other bills the government has brought forward are the end result of the consultation process. We have gone to the stakeholders and we have asked for their input. They have given us direction. This bill reflects that direction. It is also the result of what we have been doing in the standing committee.

Government Orders

We are moving in the right direction as we continue to improve access to capital for small business and encourage entrepreneurs to go forward and do what they do best, create their own small businesses, improve the economic climate and encourage other individuals to do the same. I ask all members of the House to support the bill.

* * *

[*Translation*]

CULTURAL PROPERTY EXPORT AND IMPORT ACT

The House resumed, from October 24, consideration of Bill C-93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

The Deputy Speaker: It being five o'clock, the House will now proceed to the taking of the deferred division at third reading of Bill C-93, an act to amend the Cultural Property Export and Import Act, the Income Tax Act and the Tax Court of Canada Act.

Call in the members.

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

(*Division No. 355*)

YEAS

Members

| | |
|---|---|
| Adams | Alcock |
| Allmand | Anderson |
| Arseneault | Assadourian |
| Augustine | Axworthy (Winnipeg South Centre/Sud-Centre) |
| Barnes | Beaumier |
| Bélair | Bélanger |
| Bellemare | Bethel |
| Blondin-Andrew | Bodnar |
| Bonin | Boudria |
| Brown (Oakville—Milton) | Brushett |
| Bryden | Caccia |
| Calder | Campbell |
| Cannis | Catterall |
| Chamberlain | Chan |
| Clancy | Cohen |
| Collenette | Collins |
| Comuzzi | Cowling |
| Crawford | DeVillers |
| Dhaliwal | Dingwall |
| Dromisky | Duhamel |
| Dumas | Easter |
| Eggleton | English |
| Fewchuk | Flis |
| Fontana | Fry |
| Gaffney | Gagliano |
| Gauthier | Godfrey |
| Goodale | Gray (Windsor West/Ouest) |
| Grose | Guarnieri |
| Hickey | Hopkins |
| Hubbard | Ianno |
| Iftody | Jackson |
| Keyes | Kilger (Stormont—Dundas) |
| Kirkby | Knutson |
| Kraft Sloan | Landry |
| Lastewka | Laurin |
| Lavigne (Beauharnois—Salaberry) | LeBlanc (Cape/Cap-Breton Highlands—Canso) |
| Lee | Leroux (Shefford) |
| Loney | MacAulay |
| MacLellan (Cape/Cap-Breton—The Sydneys) | Malhi |
| Maloney | Manley |
| McCormick | McKinnon |

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| McLellan (Edmonton Northwest/Nord-Ouest) | McTeague |
| McWhinney | Milliken |
| Mills (Broadview—Greenwood) | Minna |
| Mitchell | Murray |
| Nault | Nunziata |
| O'Brien | Pagtakhan |
| Parrish | Payne |
| Peric | Peters |
| Peterson | Phinney |
| Picard (Drummond) | Pickard (Essex—Kent) |
| Pillitteri | Proud |
| Reed | Richardson |
| Rideout | Ringuette—Maltais |
| Rock | Scott (Fredericton—York—Sunbury) |
| Shepherd | Sheridan |
| Simmons | Speller |
| St-Laurent | St. Denis |
| Steckle | Stewart (Brant) |
| Stewart (Northumberland) | Szabo |
| Telegdi | Terrana |
| Torsney | Ur |
| Valeri | Venne |
| Walker | Wappel |
| Wayne | Wells |
| Wood | Zed—132 |

NAYS

Members

| | |
|----------------------------------|---|
| Abbott | Althouse |
| Benoit | Blaikie |
| Breitkreuz (Yellowhead) | Breitkreuz (Yorkton—Melville) |
| Bridgman | Brown (Calgary Southeast/Sud-Est) |
| Chatters | Cummins |
| Duncan | Epp |
| Forseth | Frazer |
| Gouk | Grey (Beaver River) |
| Grubel | Hanrahan |
| Harper (Calgary West/Ouest) | Harper (Simcoe Centre) |
| Hart | Hayes |
| Hermanson | Hill (Macleod) |
| Hill (Prince George—Peace River) | Hoeppner |
| Jennings | Johnston |
| Mayfield | McClelland (Edmonton Southwest/Sud-Ouest) |
| Mills (Red Deer) | Morrison |
| Penson | Ramsay |
| Ringma | Solomon |
| Stinson | Thompson |
| Williams —39 | |

PAIRED MEMBERS

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|--------------------------------------|---|
| Asselin | Bachand |
| Bélisle | Bellehumeur |
| Bergeron | Bernier (Gaspé) |
| Bernier (Mégantic—Compton—Stanstead) | Bertrand |
| Bouchard | Brien |
| Canuel | Caron |
| Cauchon | Chrétien (Frontenac) |
| Collenette | Copps |
| Crête | Dalphond—Guiral |
| Daviault | Debien |
| Deshaies | Discepola |
| Dubé | Duceppe |
| Dupuy | Fillion |
| Finlay | Gagnon (Bonaventure—Îles-de-la-Madeleine) |
| Gagnon (Québec) | Gerrard |
| Godin | Graham |
| Guay | Harb |
| Harper (Churchill) | Harvard |
| Jordan | Lalonde |
| Langlois | Lavigne (Verdun—Saint-Paul) |
| Lebel | Leblanc (Longueuil) |
| Lefebvre | Leroux (Richmond—Wolfe) |
| Leroux (Shefford) | Lincoln |

Loubier
Maclaren
Marchand
McGuire
Mercier
Murphy
Paradis
Regan
Sauvageau
Thalheimer
Vancielief
Whelan

MacDonald
Maheu
Massé
Ménard
Mitchell
Ouellet
Patry
Robillard
Skoke
Tobin
Verran
Young

The Deputy Speaker: I declare the motion carried.

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

The Deputy Speaker: It being 5:30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

GRANDPARENTS DAY

Mr. Sarkis Assadourian (Don Valley North, Lib.) moved:

That, in the opinion of this House, the government should consider designating the second Sunday in September of each year as grandparents day in order to acknowledge their importance to the structure of the family in the nurturing, upbringing and education of children.

He said: Mr. Speaker, it is an honour for me today to speak on Motion No. 273. This motion flows from Bill C-274, a private member's bill I introduced on September 27, 1994, an act respecting a national grandparents day in Canada.

I am pleased to have the support of my own party and that of the opposition parties with regard to this very important issue. It is important that the House recognize the contribution of grandparents and the critical role they play in strengthening the family.

Grandparents have always been important to society. One step removed from the parenting process, they can share with their children the experience and wisdom they have gained. They provide a link to the treasures of family history and can provide an objective second opinion on a wide variety of important issues facing the family today.

Many of my fellow members have addressed this issue and have gone on record as supporting the creation of a national grandparents day. In so doing, many have expressed personal memories of their grandparents and the role played by these most important relatives. Thoughtful, caring and loving, these role models cannot be underestimated in their importance in the development of young people who themselves will most likely be parents someday.

Private Members' Business

Grandparents have always been important to the vitality of the extended family but never more so than in today's society. With the increase in family breakdowns the relationship between grandparents and grandchildren has taken on even greater importance.

As we see more and more single parent families, the need for additional support and nurturing becomes more important today than ever. By officially recognizing the role grandparents play we emphasize the importance of this role in society and honour those grandparents who rise to the challenge and continue to provide love, that most important of commodities, to the most vulnerable victims, the children.

If this motion is adopted, as I hope it will be, grandparents day would give national recognition to the growing number of grandparents in Canada. Many provinces and municipalities have already recognized that grandparents contribute greatly to the family and that they are the basic and fundamental element of our society. It is time the federal government and the House recognized this fact as well.

Often when a family breakdown occurs one parent assumes custody and the children no longer have the opportunity to visit with both sets of grandparents. While this motion does not address this issue directly, it is my hope that the official recognition of grandparents day will provide a focal point to the very important issue of grandparents' rights. If a society acknowledges the importance of grandparents, a certain amount of moral force will come with that recognition. Hopefully, parents in a broken family will realize the importance of the contribution that both sets of grandparents make to the nurturing and well-being of their grandchildren.

We need to express recognition of those elements within our society that are fundamental building blocks of healthy, productive individuals. Other than that of parenting itself, I can think of no more important role than that of a grandparent in fulfilling that responsibility.

As members make their decision whether or not to support Motion No. 273, I ask them to consider the comments of fellow members who are speaking in support of the motion. I am sure their comments will lend force to the argument to officially recognize the contributions grandparents make in the lives of their grandchildren and to society in general.

In closing, I ask members for their support of this very worthwhile effort to create the much needed recognition of the role that grandparents have made in all of our lives. I urge my fellow members to support Motion No. 273 and allow grandparents of the country to celebrate the second Sunday in September every year as national grandparents day.

[Translation]

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, I rise in this House to speak in support of Motion M-273 put forward by my colleague, the hon. member for Don

Private Members' Business

Valley North, to designate the second Sunday in September of each year as "Grandparent's Day" in order to acknowledge their importance to the structure of the family in the nurturing, upbringing and education of children.

As the official opposition's critic for seniors organizations, I have always supported similar initiatives to designate a national grandparents' day, because seniors' organizations across the country, and in my riding of Argenteuil—Papineau in particular, are in favour of this kind of acknowledgement.

Grandparents play a crucial role for their grandchildren, providing a degree of stability and continuity that is so essential to them. Unfortunately, the situation is sometimes complicated by marriage breakdown and remarriage, with values often being disrupted in the process. But grandparents can help insofar as they are able and available during the transition period.

Seniors and grandparents can be instrumental in improving cohesion within the family. Grandparents act as the thread connecting the past, the present and the future. Many teenagers feel they stand alone against the problems of daily living. In 1993, in Quebec, seniors from Le Pélican seniors club, in co-operation with the Villeray local community service center, in Montreal, and the Regroupement inter-organismes pour une politique familiale au Québec, founded La Maison des grands-parents, or grandparents' house.

Grandparents welcome their children and grandchildren in this house, which is a co-ordination centre for family action. The house's goals are to foster social involvement, help prevent problems inherent to disadvantaged and isolated families, and promote reconciliation and co-operation within and between families.

Then, other seniors from various golden age clubs in Quebec founded centres with similar goals. In my riding of Argenteuil—Papineau, teenagers from the Vert-Pré drop in centre in Huberdeau and seniors from the gold age association in Saint-Adolphe-d'Howard worked together on a self-help project.

In June 1993, the general meeting of the Quebec Federation of Senior Citizens came out in support of bringing grandparents and their grandchildren closer together. It was the federation's contribution to the International Year of the Family. There are also groups of caring grandparents in various regions of Quebec. The purpose of these organizations is to put grandparents or seniors, both singles and couples, in touch with families with young children.

• (1735)

Their goal is to promote intergenerational contact, to help and support young families, to recognize the experience of grandparents and allow them to play an active role in society. This

description of some projects is not restrictive, and I urge all seniors to take the steps required to create similar projects.

As a representative of seniors' organizations, I have always sought to ensure that the government does not penalize seniors. I took part in the debate on Bill C-54, which has a special impact on seniors' pensions through the Canada pension plan and old age security. We in the Bloc Québécois proposed a series of amendments to protect seniors, who would otherwise be penalized by Bill C-54. Unfortunately, these amendments were rejected by the government.

I also spoke to Bill C-232, an act to amend the Divorce Act. The purpose of this bill is to exempt grandparents from having to obtain special leave of the court to apply for an interim, standing or variation order with respect to custody of or access to their grandchildren.

I am personally very concerned about the old age pension reform announced by the government, which will take effect in 1997 and possibly earlier.

In 1994, the government announced the production of a document to be tabled. It delayed the release of that document, preferring to wait until after the Quebec referendum. Thanks to the hearings held by the Commission des aînés sur l'avenir du Québec, our seniors had an opportunity to express their views regarding their future. That consultation process showed that the concerns of seniors are similar everywhere in the country, and have to do with their social and economic situation.

We are all convinced of the major influence that grandparents and seniors have on the development of children and on the well-being of families. We must give grandparents the place that should be theirs in the family context, and we must make all Canadians aware of the importance of their role.

Grandparents are an essential source of affection, understanding and experience which strengthens the family. They must be integrated to the family life.

In conclusion, the official opposition supports the motion of the member for Don Valley North asking the government to designate the second Sunday in September of each year as Grandparents Day, in order to acknowledge their importance to the structure of the family in the nurturing, upbringing and education of children.

I thank the hon. member on behalf of all the organizations representing the elderly, and also on behalf of all grandparents, young and not so young, for emphasizing their contribution to our society.

Finally, I want to point out that, should Quebecers vote in favour of sovereignty on October 30, Quebec might also recognize the contribution of its elderly and designate the second Sunday in September of each year as Grandparents Day.

[English]

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I would like to congratulate the member for Don Valley North for having his Motion No. 273 selected and deemed votable.

In this motion the government is being asked to consider designating the second Sunday in September of each year as grandparents day. I am very familiar with this issue as I also presented before this House on June 22, 1995, Bill C-259 asking for a national grandparents day on the second Sunday in September. I am aware that the member for Don Valley North also presented a bill asking for a grandparents day. Unfortunately, neither of our bills was votable.

It is fitting and proper that this 35th Parliament finally corrects a wrong against our senior citizens. It does not cost taxpayers any money for the government to recognize our seniors, the oldest group in our society which is becoming more plentiful as Canadians live healthier and longer lives. I would like to draw members' attention right now to the gallery where grandparents are waiting to hear the verdict of today's motion.

• (1740)

1994 was the Year of the Family. As I have stated many times, the family is our basic unit in society. We need to keep our families strong. There is a natural progression here: from strong families come strong communities; from strong communities come strong provinces and states; and from strong provinces and states come strong countries.

Again, if a country is to remain strong, its people must be strong, for a country reflects the value of its people. Who teaches the values to children? The parents. Who taught them? Their parents, the elders in each of our families, the grandparents and the great grandparents, those who have experience and are wise in the ways of the world. We all realize that the best way to be wise is through personal experience and hardships.

Many of today's seniors and grandparents are very active. Many are still in the workforce. Many are in volunteer organizations. My point is that these grandparents and great grandparents have given their fair share to society and many are still giving. If we are wise, all Canadians will show our seniors how much we appreciate them.

In times of restraint there is no money for new programs, especially programs for children. Patience, caring, knowledge, experience, time and love are what are needed to work with children. Our seniors have all of these requirements. Many are already giving countless volunteer hours to children.

Private Members' Business

Recognition of grandparents day is really recognition of grandchildren and their relationship to the future of our country. When we talk about respecting our grandparents, we are reinforcing the rights of our grandchildren.

Lifting the role of grandparents gives recognition to the interests of our grandchildren. It provides a bridge between the age gaps of young and old. When we see seniors working with young children, we realize there really are no age gaps. They converse very well together and understand each other very well. What better way for children and parents to say thank you than by having a nationally recognized day to visit grandparents and pay respect to these seniors?

At present I am honoured to be representing Canadian grandparents in their fight to see their grandchildren after a divorce. Too often, many are cut out of their grandchildren's lives just because the custodial parent does not think the children should continue to see their grandparents. Often it is the grandparents who in difficult times can reinforce the stability and love in a grandchild's life through a difficult divorce. In the United States where the rights of grandparents to see their grandchildren are recognized, over five million grandparents are raising their grandchildren.

So many seniors want to be grandparents that there is even an organization called Volunteer Grandparents. A very good friend of mine who has never married became a volunteer grandparent about 15 years ago. It is a very special part of her life.

We have an opportunity here to recognize all grandparents. Let us be positive and agree to this motion.

Many in the House may wonder if the rest of Canada feels that the recognition of grandparents is wanted within our country. Nancy Wooldridge, president of the Canadian Grandparents Association in British Columbia and her membership wrote to all the municipalities in British Columbia asking for their assistance in proclaiming the second Sunday in September 1995 past, which was September 10, to be declared grandparents day. The response was incredible. I have only some replies with me today but in recognition of what those communities have done, I think I should share them.

Quesnel city council proclaimed September 10 as grandparents day. Mayor Robert Bowes declared the week of September 10 to 16 as volunteer grandparents week in Surrey. September 10, 1995 was proclaimed as grandparents day in the district of Metchosin. Ralph Drew, mayor of the village of Belcarra proclaimed September 10, 1995 as grandparents day.

Ted Nebbeling, mayor of the resort municipality of Whistler, proclaimed September 10, 1995 as grandparents day in the resort of Whistler. Mayor Robert G. McMinn proclaimed September 10, 1995 as grandparents day in the district of Highlands.

Private Members' Business

On behalf of the village council and the citizens of Keremeos, Mayor Robert White declared September 10 as grandparents day.

Mayor Ernie Palfrey was pleased to proclaim September 10, 1995 as grandparents day in the district of Coldstream. On behalf of the city council and the citizens of Fort St. John, Stephen Thorlakson, mayor of Fort St. John, proclaimed September 10, 1995 as grandparents day. Mayor Mike Patterson proclaimed September 10, 1995 as grandparents day in the city of Cranbrook.

• (1745)

Kevin Mitchell, acting mayor of the city of Fernie, proclaimed September 10, 1995 grandparents day. The Trail council has considered my letter dated August 17 requesting council proclaim September 10 grandparents day. It has agreed to issue the proclamation.

Bob Cross, mayor of Victoria, British Columbia, proclaims September 10, 1995 grandparents day. Mayor Don Lockstead of Powell River at the regular council meeting proclaimed September 10 grandparents day. Marlene Grinnell, mayor of city of Langley, proclaims September 10 grandparents day.

John Bergbusch, mayor of city of Callwood, declares September 10 grandparents day. Oak Bay proclaims September 10 grandparents day. James Lomie, mayor of the district of Campbell River, proclaims September 10 grandparents day.

The Kitimat municipal council proclaims September 10 grandparents day. Ross Imrie, mayor of the district of North Saanich, proclaims September 10 grandparents day. Louis Sekora, mayor of the city of Coquitlam, proclaims September 10 grandparents day.

Parksville declares September 10 grandparents day. At Sechelt's regular council meeting mayor Duncan Fraser was pleased to proclaim September 10 grandparents day.

Osoyoos' meeting of council on September 5 resolved that September 10 be proclaimed grandparents day. Gary Korpan, mayor of the city of Nanaimo, proclaims September 10 grandparents day.

James Stuart, mayor of the city of Kelowna, proclaims September 10 grandparents day. John Les, mayor of the district of Chilliwack, proclaims September 10 grandparents day. Greg Halsey-Brant, mayor of Richmond, proclaims September 10 grandparents day.

John Backhouse, mayor of city of Prince George, proclaims September 10 grandparents day. Philip Owen, mayor of the city of Vancouver, proclaims September 10 grandparents day.

I do not know how this got in here. It is from Calgary: "On behalf of the city council and the citizens of Calgary, I hereby proclaim September 10 grandparents day".

These are only some of the responses received by the B.C. chapter of the Canadian Grandparents Association to honour our grandparents in 1995.

I cannot speak for all of Canada but I can surely speak for the cities and communities in British Columbia. British Columbians already recognize the contributions made by our grandparents, our seniors in Canadian society.

I respectfully request that we as members of Parliament recognize the tremendous ongoing contributions by our grandparents on behalf of all Canadians by recognizing from now on the second Sunday in September as official grandparents day.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I am pleased to support the motion of my colleague, the hon. member for Don Valley North, to designate the second Sunday in September grandparents day.

I have spoken out on the significance of grandparents in the House on a number of occasions. Grandparents play an irreplaceable role in the life of Canadian families. They form a stable link in a rapidly changing world. Where there is fragmentation because of divorce or separation they bring continuity. Today many families are headed by single parents and where there are two parents they are often found both working outside the home.

The significance and value of grandparents have increased beyond belief. I do not hold grandparents to be glorified babysitters but rather as parents' surrogates who bring love, a continuance of generational values and a sense of the child's worth to the integrity of the family.

I speak from personal knowledge and with emotion about the importance of grandparents because I was brought up by a grandparent. My parents both worked outside the home for most of my life with them. They needed to for economic reasons. It was my grandmother who nurtured me, gave me a sense of worth and moulded in many ways the course my life was to take.

• (1750)

My grandmother was my role model, my mentor and my confidant. As a strong feminist woman long before the term was invented, she taught me to be bold and confident, to stand up for my beliefs, to change things when I did not like them, to be an active participant in changing my society and my world.

Mr. Speaker, I would be so bold as to say I stand before you today because of my grandmother. Yet I have never been able to celebrate her contribution to my life. We all celebrate Mother's Day, Father's Day, Remembrance Day. We have dedicated weeks to promote breast cancer awareness, AIDS, violence

against women, but we have never celebrated the worth of our grandparents to the family, to society and to future generations.

Grandparents have enriched our lives by their presence. They represent the past, our history to us in their stories, in their lifestyles and in their values. Through them we gain a sense of the continuity of humankind and through us they live forever.

I once remarked that if grandparents did not exist in nature we would have invented them because they are the embodiment of the concept of family. Because of the reverence and love I feel for my grandmother I cannot wait to be a grandparent so I can completely emulate her as my role model. Unfortunately my sons do not seem willing to comply at this time.

You do not need children of your own to be a grandparent. In British Columbia there is a volunteer grandparent's association whose members adopt, figuratively speaking, children who are not fortunate enough to know or who do not have a biological grandparent close at hand. As we all know, in this vast land of ours families can live far away from each other and many families do not have an extended family or a grandparent close by. My children did not. These volunteer grandparents bridge that gap and bring to hundreds of B.C. children the warmth and experience of having a grandparent.

Grandparents bring a sense of trust. They help us to feel safe because no matter what happens they are our refuge against often cranky parents.

In many cultures grandparents are historians. In others they are the heads of households. They bring wisdom and warmth, joy and stability, and the list of their worth goes on and on.

I will finish today by quoting the words of one young constituent who has expressed so simply the importance of her grandmother:

The first day I was brought into this world I met my grandmother. I have come to know her very well. These past 17 years she has been there for me almost as much as my parents. My grandmother is a very special part of my life. She was the one who took care of me when I was sick or cheered me up when I was down. I get to see her almost once a week.

My grandmother is the most interesting lady I know. She is an artist, a chef and a seamstress. This lady has a good eye for fashion and style and she always knows just what to buy me. I heard all grandmothers are good cooks but my grandmother is one of the finest. She supplies the birthday dinners and cakes for the whole family. No matter how much her grandchildren whine and complain she always keeps her cool and has great patience with us all. I am extremely lucky to have such a wonderful grandmother. Not everyone is so fortunate.

She is the type of lady who is always doing special things for you and is always trying to please. My grandmother means the world to me. I hope she remains with me for many years to come.

By passing this bill we will make that wish come true.

Adjournment Debate

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, I am delighted to have seconded this motion put forward by my colleague, the member for Don Valley North, on the selection of grandparents day in Canada, Motion No. 273.

I believe the motion will be a model for the world by showing that Canada pays respect to grandparents, to seniors, whose love, wisdom and caring for their daughters and sons, for their grandchildren, are truly recognized.

It is my honour to support this motion.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I support this motion which would designate the second Sunday in September as grandparents day.

It is appropriate to recognize the members for Don Valley North and Mission—Coquitlam. It must bring a tremendous amount of satisfaction for these members to come to the House in their first term to present a motion that receives the support of all parties and eventually goes through the whole House. I congratulate my colleague.

• (1755)

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.)

Mr. Boudria: Mr. Speaker, I rise on a point of order. I think you would find unanimous consent to call it 6.30 p.m. and proceed with the adjournment debate.

The Deputy Speaker: Is there unanimous consent to call it 6.30 p.m.?

Some hon. members: Agreed.

ADJOURNMENT DEBATE

[English]

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

PHARMACEUTICALS

Mr. John Solomon (Regina—Lumsden, NDP): Mr. Speaker, the Liberal government is cutting costs and reducing services in our medicare system. In the last budget it drastically cut transfer payments to the provinces and will continue to do so each year over the next three years, reducing health care services further.

Adjournment Debate

Why will the Liberals not enact cost cutting measures that would not reduce services to Canadians yet would save taxpayers a billion dollars a year or more? This could be done by repealing Bill C-91, the drug patent act, passed in the last Parliament. Bill C-91 catered to foreign drug companies that wanted to make more money by extending drug patents to 20 years for prescription drugs, in essence a 20-year monopoly to charge whatever price they want for certain prescription drugs.

In opposition Liberal members of Parliament, such as the current Minister of Health and the Minister of Industry, were present in the House on December 10, 1992 to vote against Bill C-91. Now that they are in government they support the legislation, which is a very major flip-flop.

Bill C-91 has had the effect of costing Canadians billions of dollars in their prescription drug costs. In the past eight years drug prices have increased 13 per cent every year for an accumulated total of 220 per cent. For example, the cost of Tagamet, a drug to treat ulcers, is 78 per cent cheaper when a Canadian generic drug is used instead of the brand name product. This is why our prescription drug costs are skyrocketing. Bill C-91 prevents the generic drug companies from producing cheaper copies of prescription drugs. Pharmaceutical companies have a 20-year monopoly on their patents and a monopoly pricing situation exists to the detriment of the health of Canadians.

Prescription drugs represent over 15 per cent of the total cost of health care in Canada. This amounts to over \$11 billion every year. It is a fact that drugs are the fastest growing cost to medicare. It is also one of the most controllable costs to our medicare system because Parliament has the power to put forth legislation that will control the cost of drugs and end price gouging by pharmaceutical drug companies.

Pharmaceutical drug companies employ roughly one sales representative for every three doctors in Canada and spend \$10,000 per doctor on promotions. Canadian taxpayers are paying for these promotions while hundreds of millions of dollars of profits are leaving the country and jobs are being cut by the drug companies. These prices have increased 13 per cent each year over the past eight years due to Bill C-91.

While in opposition the Liberals opposed the bill. While in government they are now supporting it. The government must immediately abolish the automatic injunction clause of the patented medicines regulations. The automatic injunction clause adds two more years on top of the 20 years that a drug pharmaceutical company can charge rates and prevent the generic industry from competing. This clause, if abolished, would save Canadians \$750 million right off the top.

By repealing Bill C-91 in its entirety Canadians could save \$3 billion to \$5 billion each year on health care costs through reduction in prescription drugs, equivalent by the way to the

Liberal government's cut to medicare funding over the three years proposed in its budget.

Why will the government not do this? Why is the Liberal Party allowing pharmaceutical drug manufacturers to set the agenda? It is a fact that the Liberal Party receives thousands of dollars in donations from foreign drug companies. Is this the reason?

• (1800)

The Liberal Party's inaction to rein in the outrageous brand name price increases is costing Canadians and threatening our health care system. It is time for action. The Liberal government must act immediately to abolish the automatic injunction on prescription drugs and make a commitment to abolish Bill C-91.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I want to say that the member is absolutely right. In opposition we opposed Bill C-91. I not only opposed it in the House, I set up a display in my office on the Danforth pointing out the difficulties with Bill C-91.

We lost that vote, and the mechanism for Bill C-91 was put in place by the previous government. In many respects it is not unlike the GST. We campaigned vigorously against the GST and we lost in opposition, but the entire infrastructure and the mechanisms for the GST were put in place. When we were given the trust two years ago today, one of the things we had to face was the challenge of doing something about the GST. This bill is in many respects similar to that challenge.

The minister has said that we are currently evaluating the impact of Bill C-91. There is a parliamentary review process that will be invoked in 1997. The challenge presented by the drug patent policy is to ensure that it conforms with all the international trade obligations and supports the development of our pharmaceutical industry while making patented drugs available to Canadian consumers at non-excessive prices.

I want to reassure the member that we are not running away from our concern about what takes place with Bill C-91. He should know that not only the government but many members in the House share many of his views. We are very wise to the marketing in this industry. He will just have to be patient a little longer so that when we attack this issue we will do it in a rational and totally constructive way so that we will not upset the infrastructure that has been put in place and the investment that has already been started.

ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, as members will probably recall, in June the Standing Committee on the Environment and Sustainable Development issued a report on the Canadian Environmental Protection Act entitled: "It is about our Health". It is a parliamentary study that aims at pollution prevention in the interest of public health. It was made possible because of extensive hearings with over 100 witnesses from all walks of life in all parts of the country. As a result of that, the committee recommended major changes to the existing

Adjournment Debate

act, commonly known as CEPA, the Canadian Environmental Protection Act.

The changes to the act, which in essence deals with toxic substances, are necessary because at the present time the legislation is too slow in protecting the public from toxic substances. For instance, the complete toxicity assessments for 13 out of the 44 substances placed on the priority list in 1988 have not yet been done. In addition to that, of the 26 substances found to be toxic, only three, those related to chlorofluorocarbons, chlorinated pulp effluents, and PCBs, have been subjected to regulation.

• (1805)

In addition, problems related to enforcement, problems related to biotechnology products, problems related to the role and lifestyle of our aboriginal people, in particular in relation to environmental protection, and problems related to the management of Canada's coastal zones have not been resolved by the act as it exists at the present time. To address these problems, the committee called expert witnesses, scientists and native people, industry, professional organizations, et cetera, to ensure their recommendations would have sound expert support.

The committee's recommendations reflect the principle of sustainable development as set out in the red book, "Creating Opportunity", which was produced in 1993 during the federal election. In addition to that, the committee's report builds on three cabinet documents; namely, the government's toxic substances management policy, the strategic framework for pollution prevention, and the guide to green government. The last one was signed and endorsed by all members of cabinet. Therefore, the report of the committee has as its foundation three substan-

tial documents produced by the present government, and quite rightly so, in support of sustainable development objectives.

To conclude, the report is based on the concept of pollution prevention. The accepted norm for environmental protection policy in industry and governments in the western world is therefore in that report. Every witness before the committee urged that the government adopt pollution prevention, shifting away from the costly approach of reacting and curing to the more efficient approach of anticipating and preventing.

I see that my time is up. I thank you for your indulgence.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry, Lib.): Mr. Speaker, I have to say through you to my colleague from Davenport, who has led the way for so many of us on environmental issues in this House, that as a government we must pay attention to his words right away.

When I was working on the Hill as a young assistant back in the early 1980s and the member for Davenport was Minister of the Environment, he helped put us on the international map with his campaign on acid rain. I have experienced his passion and his commitment. I have been exposed to his knowledge on this issue on a thousand different occasions.

I can only say to the member for Davenport that his words will be communicated directly to the minister and to the cabinet. With the trust that we as a government have in his advice, I am sure we will be moving on his recommendations in the near future.

[*Translation*]

The Deputy Speaker: Pursuant to Standing Order 38, the motion to adjourn the House is now deemed adopted. Accordingly, this House stands adjourned until tomorrow at 10 a.m.

(The House adjourned at 6.10 p.m.)

CONTENTS

Wednesday, October 25, 1995

STATEMENTS BY MEMBERS

| | |
|---|-------|
| National Unity | |
| Mr. DeVillers | 15801 |
| Reform Party of Canada | |
| Mr. Speaker (Lethbridge) | 15801 |
| Quebec Referendum | |
| Mr. Blaikie | 15801 |
| Gasoline Additives | |
| Mrs. Wayne | 15801 |
| Quebec Referendum | |
| Mrs. Kraft Sloan | 15802 |
| Bilingualism | |
| Mrs. Terrana | 15802 |
| National Unity | |
| Mr. O'Brien | 15802 |
| Referendum Campaign | |
| Mr. Leroux (Shefford) | 15802 |
| Quebec Referendum | |
| Mr. Cummins | 15802 |
| Quebec Referendum | |
| Mr. Dromisky | 15803 |
| Quebec Referendum | |
| Ms. Minna | 15803 |
| Partnership | |
| Mr. St-Laurent | 15803 |
| Franco-Ontarians | |
| Mr. Bellemare | 15803 |
| Quebec Referendum | |
| Mr. McClelland | 15804 |
| The Constitution | |
| Mr. Duhamel | 15804 |
| The Constitution | |
| Mr. Lavigne (Beauharnois—Salaberry) | 15804 |
| National Unity | |
| Mrs. Ringuette—Maltais | 15804 |

ORAL QUESTION PERIOD

| | |
|----------------------------|-------|
| Referendum Campaign | |
| Mr. Gauthier | 15804 |
| Mrs. Robillard | 15805 |
| Mr. Gauthier | 15805 |
| Mrs. Robillard | 15805 |
| Mr. Gauthier | 15805 |
| Mrs. Robillard | 15805 |
| Mr. Duceppe | 15805 |
| Mrs. Robillard | 15805 |
| Mr. Duceppe | 15806 |
| Mrs. Robillard | 15806 |

Federal Spending

| | |
|----------------------------------|-------|
| Mr. Manning | 15806 |
| Mr. Martin (LaSalle—Émard) | 15806 |
| Mr. Manning | 15806 |
| Mr. Martin (LaSalle—Émard) | 15806 |
| Mr. Manning | 15807 |
| Mr. Martin (LaSalle—Émard) | 15807 |

Referendum Campaign

| | |
|---------------------------------|-------|
| Mrs. Picard | 15807 |
| Mrs. Robillard | 15807 |
| Mrs. Picard | 15807 |
| Mrs. Robillard | 15807 |
| Mr. Harper (Calgary West) | 15807 |
| Mrs. Robillard | 15808 |
| Mr. Harper (Calgary West) | 15808 |
| Mrs. Robillard | 15808 |

Referendum Campaign

| | |
|----------------------|-------|
| Mrs. Venne | 15808 |
| Mrs. Robillard | 15808 |
| Mrs. Venne | 15808 |
| Mrs. Robillard | 15808 |

Health

| | |
|--------------------------|-------|
| Mr. Hill (MacLeod) | 15808 |
| Ms. Marleau | 15808 |
| Mr. Hill (MacLeod) | 15809 |
| Ms. Marleau | 15809 |

The Referendum Campaign

| | |
|----------------------|-------|
| Mr. Sauvageau | 15809 |
| Mrs. Robillard | 15809 |
| Mr. Sauvageau | 15809 |
| Mrs. Robillard | 15809 |

Status of Women

| | |
|----------------------|-------|
| Mr. Bonin | 15809 |
| Mrs. Finestone | 15809 |

Training

| | |
|--|-------|
| Mrs. Brown (Calgary Southeast) | 15810 |
| Mr. Axworthy (Winnipeg South Centre) | 15810 |
| Mrs. Brown (Calgary Southeast) | 15810 |
| Mr. Axworthy (Winnipeg South Centre) | 15810 |

Council for Canadian Unity

| | |
|--------------------|-------|
| Mr. Landry | 15810 |
| Mr. Anderson | 15810 |
| Mr. Landry | 15810 |
| Mr. Anderson | 15810 |

Somalia Inquiry

| | |
|----------------------|-------|
| Mr. Hart | 15811 |
| Mr. Collenette | 15811 |
| Mr. Hart | 15811 |
| Mr. Collenette | 15811 |

Quebec Referendum

| | |
|-----------------|-------|
| Mr. Serré | 15811 |
| Mr. Flis | 15811 |

Employment

| | |
|-------------------|-------|
| Mr. Blaikie | 15811 |
|-------------------|-------|

| | |
|--|-------|
| Mr. Axworthy (Winnipeg South Centre) | 15812 |
| Mr. Blaikie | 15812 |
| Mr. Axworthy (Winnipeg South Centre) | 15812 |

Point of Order

Oral Question Period

| | |
|--------------------|-------|
| Mr. Gauthier | 15812 |
| The Speaker | 15812 |

Auditor General's Report—Speaker's Ruling

| | |
|-------------------|-------|
| The Speaker | 15812 |
|-------------------|-------|

ROUTINE PROCEEDINGS

Government Response to Petitions

| | |
|--------------------|-------|
| Mr. Milliken | 15813 |
|--------------------|-------|

Committees of the House

Procedure and House Affairs

| | |
|--------------------|-------|
| Mr. Milliken | 15813 |
|--------------------|-------|

Procedure and House Affairs

| | |
|--------------------|-------|
| Mr. Milliken | 15813 |
|--------------------|-------|

Health

| | |
|-------------------|-------|
| Mr. Simmons | 15813 |
|-------------------|-------|

Criminal Code

| | |
|---|-------|
| Bill C-354. Motions for introduction and first reading deemed adopted. | 15813 |
| Mr. Breitzkreuz (Yorkton—Melville) | 15813 |

Committees of the House

Procedure and House Affairs

| | |
|--|-------|
| Motions for concurrence in 94th and 95th reports | 15814 |
| Mr. Milliken | 15814 |
| (Motions agreed to.) | 15814 |

Petitions

Canadian Unity

| | |
|-------------------|-------|
| Mr. Duhamel | 15814 |
|-------------------|-------|

Port of Churchill

| | |
|--|-------|
| Mr. Breitzkreuz (Yorkton—Melville) | 15814 |
|--|-------|

Assisted Suicide

| | |
|--|-------|
| Mr. Breitzkreuz (Yorkton—Melville) | 15814 |
|--|-------|

Young Offenders Act

| | |
|------------------|-------|
| Mr. Calder | 15815 |
|------------------|-------|

Mining

| | |
|------------------|-------|
| Mr. Calder | 15815 |
|------------------|-------|

Young Offenders Act

| | |
|-------------------|-------|
| Mr. Solomon | 15815 |
|-------------------|-------|

Income Tax Act

| | |
|-----------------|-------|
| Mr. Szabo | 15815 |
|-----------------|-------|

Gun Control

| | |
|------------------------------------|-------|
| Mr. Breitzkreuz (Yellowhead) | 15815 |
|------------------------------------|-------|

The Environment

| | |
|-----------------|-------|
| Mr. Adams | 15815 |
|-----------------|-------|

Human Rights

| | |
|------------------|-------|
| Mr. Wappel | 15815 |
|------------------|-------|

Rights of the Unborn

| | |
|------------------|-------|
| Mr. Wappel | 15816 |
|------------------|-------|

Question Passed as Order for Return

| | |
|--------------------|-------|
| Mr. Milliken | 15816 |
|--------------------|-------|

Motions for Papers

| | |
|--------------------|-------|
| Mr. Milliken | 15816 |
|--------------------|-------|

GOVERNMENT ORDERS

Small Business Loans Act

| | |
|---|-------|
| Bill C-99. Consideration resumed of motion for second reading | 15816 |
| Mrs. Ringuette-Maltais | 15816 |
| Mr. Williams | 15818 |
| Mr. Mills (Broadview—Greenwood) | 15818 |
| Mrs. Ringuette-Maltais | 15819 |
| Mr. Shepherd | 15819 |
| Mr. Mills (Broadview—Greenwood) | 15820 |
| Mr. Williams | 15821 |
| Mr. Silye | 15822 |
| Mr. McClelland | 15822 |
| Mr. Speller | 15824 |
| Mr. St-Laurent | 15825 |
| Mr. Valeri | 15826 |

Cultural Property Export and Import Act

| | |
|--|-------|
| Bill C-93. Consideration resumed of motion for third reading. | 15828 |
| Motion agreed to on division: Yeas, 132; Nays, 39 | 15829 |
| (Motion agreed to, bill read the third time and passed.) ... | 15829 |

PRIVATE MEMBERS' BUSINESS

Grandparents Day

| | |
|---------------------------------------|-------|
| Motion | 15829 |
| Mr. Assadourian | 15829 |
| Mr. Dumas | 15829 |
| Mrs. Jennings | 15831 |
| Ms. Fry | 15832 |
| Mr. Pagtakhan | 15833 |
| Mr. Mills (Broadview—Greenwood) | 15833 |
| (Motion agreed to.) | 15833 |

ADJOURNMENT DEBATE

Pharmaceuticals

| | |
|---------------------------------------|-------|
| Mr. Solomon | 15833 |
| Mr. Mills (Broadview—Greenwood) | 15834 |

Environment

| | |
|---------------------------------------|-------|
| Mr. Caccia | 15834 |
| Mr. Mills (Broadview—Greenwood) | 15835 |

Appendix



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