



CANADA

House of Commons Debates

VOLUME 133 • NUMBER 253 • 1st SESSION • 35th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Thursday, November 2, 1995

Speaker: The Honourable Gilbert Parent

CONTENTS

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

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HOUSE OF COMMONS

Thursday, November 2, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

AGRICULTURE AND AGRI-FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

The House resumed from November 1 consideration of the motion that Bill C-61, an act to establish a system of administrative monetary penalties for the enforcement of the Canada Agricultural Products Act, the Feeds Act, the Fertilizers Act, the Health of Animals Act, the Meat Inspection Act, the Pest Control Products Act, the Plant Protection Act and the Seeds Act, be read the third time and passed.

The Speaker: It being 10 a.m., pursuant to Standing Order 45, the House will now proceed to the taking of the deferred division at third reading stage of Bill C-61, an act to establish a system of administrative monetary penalties for the enforcement of the Canada Agricultural Products Act, the Feeds Act, the Fertilizers Act, the Health of Animals Act, the Meat Inspection Act, the Pest Control Products Act, the Plant Protection Act and the Seeds Act.

Call in the members.

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

(*Division No. 364*)

YEAS

Members

Adams	Alcock
Anawak	Assadourian
Augustine	Axworthy (Winnipeg South Centre/Sud-Centre)
Baker	Bakopanos
Beaumier	Bélair
Bélanger	Bellemare
Bertrand	Bethel
Bevilacqua	Blaikie
Bonin	Boudria
Brushett	Bryden
Calder	Campbell
Cannis	Catterall
Cauchon	Chamberlain
Clancy	Cohen
Collenette	Collins
Cowling	Crawford
Culbert	DeVillers
Dhaliwal	Dingwall

Discepola	Dromisky
Duhamel	Dupuy
Easter	Eggleton
English	Fewchuk
Finestone	Flis
Fontana	Fry
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Galloway
Gerrard	Godfrey
Goodale	Graham
Gray (Windsor West/Ouest)	Grose
Guarnieri	Harvard
Hickey	Hopkins
Hubbard	Iftody
Irwin	Jackson
Keyes	Kirkby
Knutson	Lastewka
Lavigne (Verdun—Saint-Paul)	Lee
Loney	MacAulay
MacDonald	Maclaren
Malhi	Maloney
Manley	Marchi
Marleau	Massé
McCormick	McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney	Milliken
Minna	Murphy
Nault	O'Reilly
Parrish	Patry
Payne	Peric
Peters	Phinney
Pickard (Essex—Kent)	Pillitteri
Proud	Reed
Rideout	Robichaud
Robillard	Rock
Scott (Fredericton—York—Sunbury)	Serré
Shepherd	Simmons
Speller	St. Denis
Stewart (Brant)	Stewart (Northumberland)
Szabo	Taylor
Telegdi	Terrana
Tobin	Ur
Vanclief	Verran
Walker	Wells
Whelan	Wood
Zed—125	

NAYS

Members

Ablonczy
Bachand
Bellehumeur
Bergeron
Bridgman
Brown (Calgary Southeast/Sud-Est)
Chatters
Crête
Dalphond—Gural
Debien
Dubé
Dumas
Epp
Frazier
Gauthier
Grey (Beaver River)

Routine Proceedings

Grubel	Guimond
Hanger	Harper (Calgary West/Ouest)
Harper (Simcoe Centre)	Harris
Hart	Hayes
Hermanson	Hill (Macleod)
Hill (Prince George—Peace River)	Hoepfner
Kerpan	Lalonde
Landry	Laurin
Leblanc (Longueuil)	Leroux (Shefford)
Loubier	Marchand
Mayfield	McClelland (Edmonton Southwest/Sud—Ouest)
Ménard	Mercier
Mills (Red Deer)	Morrison
Nunez	Paré
Penson	Picard (Drummond)
Pomerleau	Ringma
Rocheleau	Sauvageau
Silye	Solberg
Speaker	St—Laurent
Strahl	Thompson
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
White (Fraser Valley West/Ouest)	White (North Vancouver)—76

PAIRED MEMBERS

Bouchard	Canuel
Ianno	Jacob
Jordan	MacLellan (Cape/Cap—Breton—The Sydneys)
McGuire	Plamondon
Thalheimer	Venne

• (1025)

The Speaker: I declare the motion carried.

(Bill read the third time and passed.)

Mr. Chan: Mr. Speaker, if my plane had been on time I would have voted with the government.

ROUTINE PROCEEDINGS

[*Translation*]

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 response to two petitions.

* * *

PRIVATE MEMBERS' BUSINESS—MOTION M-473

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Madam Speaker, I would like to seek the House's assent to change Motion No. 473 for Motion No. 474 on the order of priorities for private members' business. I seek the consent of the House in this.

The Acting Speaker (Mrs. Maheu): Does the House give its unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Maheu): The hon. member for Calgary West has the floor on a point of order.

[*English*]

Mr. Harper (Calgary West): Madam Speaker, I rise on a point of order. If I understand the motion correctly, it is to not debate the issue of the international laws that pertain to the recognition of Quebec's right to self-determination. As it is obvious from the statements from the Bloc that we will be debating this in the future, we in the Reform Party believe it is important that Parliament, which is representative of all of Canada, have a chance to debate this issue. Therefore we will not agree to dropping this off the Order Paper.

[*Translation*]

The Acting Speaker (Mrs. Maheu): We do not have unanimous consent, therefore.

* * *

PETITIONS

SMALL AND MEDIUM SIZE BUSINESSES

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Madam Speaker, I have the honour of presenting this petition on small and medium size businesses.

[*English*]

Almost everyone knows that small and medium size businesses in Canada are important to job creation and are important to the quality of life of Canadians. These petitioners are simply requesting that whenever governments make decisions that could impact on small and medium size businesses they recognize the importance they have for Canada in terms of jobs and in terms of adding to the quality of life.

BOVINE GROWTH HORMONE

Mr. Lyle Vanclief (Prince Edward—Hastings, Lib.): Madam Speaker, I would like to table a petition from 33 Canadians in the Prince Edward—Hastings area calling on Parliament to take steps to keep the bovine growth hormone out of Canada by legislating a moratorium on the use and sale of the bovine growth hormone until the year 2000 and examining the outstanding health and economic questions through an independent and transparent review.

• (1035)

[*Translation*]

HUMAN RIGHTS

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Madam Speaker, I have the honour to present a petition from several hundred persons, young people who are demanding that the Canadian government amend the Canadian Human Rights Act to include sexual orientation as the tenth illegal reason for discrimination.

Routine Proceedings

I enthusiastically support this petition and trust that the government will act it on expeditiously.

[English]

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, pursuant to Standing Order 36, I wish to present a petition that has been circulating all across Canada. This portion of the petition has been signed by a number of Canadians from Stratford, Ontario.

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

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

PARLIAMENTARY PRAYERS

Mr. Peter Adams (Peterborough, Lib.): Madam Speaker, I have a petition from citizens of the city and county of Peterborough. The petitioners state that whereas the name of Our Lord Jesus Christ and the Lord's Prayer have been included in the historic parliamentary prayer of the House of Commons since 1867; and whereas Canada was founded and built upon the principles of Christianity and a large majority of Canadians profess the Christian faith; therefore they call on the House of Commons to close the parliamentary prayer with the words "through Jesus Christ our Lord, Amen" and reinstate the Lord's Prayer at the conclusion of the opening prayer.

SEXUAL ORIENTATION

Mr. Peter Adams (Peterborough, Lib.): Madam Speaker, I have another petition from numerous citizens in eastern Ontario.

The petitioners point out that acts of discrimination against lesbian, gay and bisexual Canadians are an everyday reality in all regions of Canada and that this kind of discrimination is unacceptable in a country known for its commitment to human rights, equality and dignity for all citizens.

Therefore these petitioners call upon Parliament to act quickly to amend the Canadian Human Rights Act to prohibit discrimination on the basis of sexual orientation and to adapt all necessary measures to recognize the full equality of same sex relationships in federal law.

[Translation]

DIVORCE ACT

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Madam Speaker, pursuant to Standing Order 36, it is my pleasure today to present a petition signed by 111 residents of Labelle County in my riding.

The petition is about an issue that concerns many Canadians. It asks Parliament to amend the Divorce Act by including a provision identical to section 611 of the Quebec Civil Code, which provides that parents cannot, without serious grounds, interfere with a child's personal relationship with its grandparents and that if no agreement can be reached by the parties, the terms of this relationship shall be determined by the court.

* * *

[English]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, Question No. 239 will be answered today.

[Text]

Question No. 239—**Mr. White (Fraser Valley West):**

Concerning CPC, for the most recent available 12-month period, (a) what was the detailed cost breakdown of all expenditures on hospitality for customers and other business clients, with particular reference to private boxes and season tickets at professional sports stadiums and arenas, including expenditures paid out through employee expense claims, and (b) what were the expense claims for the top four Canada post executives in Vancouver, Calgary, Edmonton, Regina, Winnipeg, Toronto, Ottawa and Montreal?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency, Lib.): As a commercial crown corporation, Canada Post is not subject to the Access to Information Act. The government made the decision to exempt crown corporations such as Canada Post, in recognition of the requirement that they operate in a competitive environment. The Privacy Act also protects personal information from third party access, these are deemed as commercially confidential.

[English]

Mr. Milliken: Madam Speaker, I ask that the remaining questions be allowed to stand.

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

Some hon. members: Agreed.

*Government Orders***GOVERNMENT ORDERS***[Translation]***AGREEMENT ON INTERNAL TRADE
IMPLEMENTATION ACT**

The House resumed from November 1 consideration of the motion that Bill C-88, an Act to implement the agreement on internal trade, be read the second time and referred to a committee.

The Acting Speaker (Mrs. Maheu): When the House last considered Bill C-88, the hon. member for Joliette had 11 minutes left.

Mr. René Laurin (Joliette, BQ): Madam Speaker, when I had to break off my speech yesterday to let the House proceed with the Orders of the Day, I was discussing the actual impact of Bill C-88 and, more particularly, clause 9 of the bill.

The wording of clause 9 allows for a very broad interpretation. For instance, the federal government would be able to intervene and impose retaliatory measures even when it is not a party to the dispute.

Although the Bloc Québécois has always been in favour of free trade and, in fact, we cannot do otherwise but support this concept, when a clause like this one gives the federal government sweeping powers, we must object to adopting the bill as tabled, or at least to the wording of clause 9. In fact, this clause could lend itself to two very different interpretations.

• (1040)

One interpretation could result in the federal government's giving itself powers, because of its obligation under the agreement to have the option to impose retaliatory measures, in the event and only in the event it becomes an aggrieved party. We believe clause 9 does not provide this. In fact, the first part of clause 9 reads as follows:

(1) For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against a province pursuant to Article 1710 of the Agreement, the Governor in Council may, by order,—

So the federal government may intervene and impose a variety of measures, which I will not read in their entirety, but will simply summarize: suspend rights or privileges, modify the application of any federal law; extend the application of any federal law to a province or take any other measure it considers necessary.

As it stands, we could interpret the meaning. In the case where a party is found to be in the wrong, under the terms of article 1710 of the agreement, the federal government, whether it is a party to the dispute or not, will be entitled to impose retaliatory measures against the party in question. As we saw yesterday, the parties may be a province, the federal government or any third

party with close ties to either the province or the federal government.

We also pointed out yesterday that, because of its spending power, the federal government was already meddling in many areas or activities that are strictly provincial in jurisdiction and already had considerable latitude because of the way the parties were defined. Because of the considerable latitude it already enjoys under the definition of "federal government", it would be superfluous to add more here and permit the federal government to intervene even when it is not an aggrieved party. We believe this interpretation is contrary to the intent of the agreement.

The agreement does not, in fact, provide that the federal government may impose retaliatory measures against an injuring party. It could do so only if it was recognized as an injured party in this dispute.

The second possible interpretation of this provision, and the one with which we might agree, is that if the federal government wanted to retaliate against a party at fault pursuant to article 1710 of the agreement, it could do so only as the injured party in the dispute.

If this is what this provision means, we might agree. However, since the wording may be ambiguous and leave room for interpretation, we would like to clarify this paragraph by amending it so that if the federal government is recognized as a party injured by a measure imposed by another party in violation of the agreement, the governor in council may, by order and pursuant to article 1710 of the agreement, take the measures as listed in clause 9. This is our first comment regarding clause 9.

• (1045)

Another point I wish to raise is that the range of retaliatory measures of which the federal government may avail itself pursuant to clause 9 of the bill is much too broad.

By giving itself the power to modify or suspend the application of any federal law with respect to the province, to extend the application of any federal law to the province, or to take any other measure deemed necessary, the federal government is granting itself inordinate retaliatory powers that may affect the entire population of a province. The problem is that the federal government's legislative power affects all Canadians and that it already imposes laws on the provinces. These powers are denied to the provinces and we think in this case that, once again, this article could allow the federal government to impose its will on the provinces.

The federal government's retaliatory powers should be strictly limited to the trade areas already defined in the agreement. So, if we agreed on these restrictions, the federal government could no longer retaliate in social areas and go after the Canada social transfer, for example.

Government Orders

For the Bloc Quebecois, this is another way of looking at this article, which we regard as very important.

Finally, I would like to point out another controversial aspect of this bill. Clause 14 of this bill deals with the powers of appointment.

The governor in council may, by order, appoint any person to fill any position that may be necessary or advisable, in the opinion of the governor in council, for carrying out the purposes of the agreement.

Again, as in many other areas, the Bloc Quebecois thinks that these appointments should be ratified by the House of Commons instead of simply requiring an order of the governor in council. As in the case of appointments to several important boards, which are ratified by the House of Commons, we feel that—in this case involving billions of dollars in interprovincial trade subject to this act, this agreement—it is very important that all appointments be made public and subject to some scrutiny by the House. In fact, we ask that these appointments be made or suggested by the governor, but that they be systematically ratified by the House of Commons.

Those are the three points I wanted to raise with respect to clause 9.

[*English*]

Mr. Charlie Penson (Peace River, Ref.): Madam Speaker, I am happy to rise today to speak about the so-called agreement in Bill C-88 on internal trade barriers.

This bill is a total sham and should never have been introduced in the House. It has nothing to add to internal trade that is not already in place in the BNA act. It does not even maintain the same standard. Let me quote from section 121 of the BNA act. This is what we had before: "All articles of growth, produce or manufacture of any one of the provinces shall be admitted free into each of the other provinces".

What do we have now under article 101 of this provincial trade agreement? It states that the objective of the agreement is to reduce and eliminate, to the extent possible, barriers to the free movement of goods and services.

Is that not somewhat less than section 121 of the BNA act which says shall be admitted free? Obviously it is. I am concerned that the bill is like a Hollywood movie set. It looks good on the outside but there is nothing behind it. There are no teeth in this agreement and I have good reason to say that.

• (1050)

I tested the bill. A company in my riding has a contract with CN Rail to move its workers from Grand Prairie, Alberta into the Dawson Creek area of B.C., some 60 miles away. What did the company find? It cannot get a permit to go into B.C. It is being

restricted even though it has a contract to move its cabs into that area.

We decided to test the new internal trade agreement. We asked the Department of Industry and the Department of Foreign Affairs and International Trade to get involved to see what they could do to help this company resolve the problem. They can do absolutely nothing.

This so-called trade agreement is nothing. It is just a loose agreement of empty words. It certainly will not do anything to address the problem of internal trade barriers which cost Canada between \$8 billion and \$10 billion a year. We simply cannot afford these kinds of costs. We are in a very competitive global trading environment and we have to give our companies the ability to build some economies of scale here at home before they launch into international business.

Let us talk about international business for a moment. Canada has signed some very good trade agreements internationally. We have signed the new GATT agreement, the Uruguay round. We have signed the NAFTA and previous to that the Canada-U.S. free trade agreement. We have better international agreements for trade than we have agreements for trade between the provinces. It is absolutely ludicrous. To pretend that this bill addresses the problem is just misleading the Canadian public.

The European Economic Community is now 15 member countries. There are fewer barriers to trade between those 15 countries in the European Union than we have between the provinces. Some decentralized federation. We need a workable agreement between the provinces and the federal government has to show leadership. That is what it involves. It must show leadership and broker the kind of agreement that is necessary. Obviously Bill C-88 does not do that.

Whole segments of the economy are not addressed in this bill. It does not include agriculture. It does not include certain government procurements or regional development. Those are all very significant barriers to trade.

A good example of how silly the trade gets within this country and the barriers we meet can be told in one simple example. A trucking company in Alberta had a gravel contract nine miles from the British Columbia border. It was working well within the province of Alberta, but at the end of the day the drivers wanted to drive their trucks into the nearest town to stay overnight in a hotel and eat in the restaurants. They were not allowed to do so. Why not? It is because their trucks did not meet the requirements for the regulations in British Columbia. They had to have different axle spacings, an empty truck, certain permits they could not get without considerable expense. They had to bring in a special vehicle to take the workers into British Columbia to the hotel. That is how ludicrous this gets.

Government Orders

I suggest this is the type of situation there was in Russia some 10 years ago under communism. Surely we have to move beyond that if we are going to be effective in the world economy.

Nothing has been resolved in the area of natural resources and energy, all key areas of trade in Canada. The cost is estimated to be \$8 billion per year. We cannot afford those costs. We must have a government that shows leadership and we certainly did not get it here.

The Prime Minister said that this was a modest proposal. Modest indeed. Most Canadians would see it as a complete waste of time and money. I am appalled that the Minister of Industry would bring this forward in the guise of a bill that is going to address the problems of trade restrictions.

I would ask him to go back to the drawing board. Bring the provincial premiers together. Bring the industry players together and show them what the cost is to our society. Show them what the cost is to their own industry. We can do much better. I challenge this minister to do so.

[*Translation*]

The Acting Speaker (Mrs. Mahen): I would like to remind the House that we are now at the ten minute speech stage, with no question or comment period.

• (1055)

Mr. Jean H. Leroux (Shefford, BQ): Madam Speaker, first of all, I would like to pay tribute to the people of my riding who have voted yes in the referendum, in a proportion of 52.7 per cent, in the provincial part of Shefford as well as in the Iberville part. In the riding of Iberville, 56 per cent of voters said yes.

From the outset, you should know that I intend to continue sitting in this House for the duration of my mandate as a member of Parliament for the Bloc Québécois.

This morning, I rise to speak on Bill C-88, an act to implement the Agreement on Internal Trade. As you know, Quebec—and Quebec members elected to this place in 1988—is responsible for the passage of the Free Trade Agreement. Had it not been for Quebec and its voters, Canada would have had a much harder time entering into this agreement between Canada and the United States that has greatly benefited both countries.

Quebec is a state which is open to the world. At present, and this is very sad, it is easier for Quebec to trade with the U.S. than with the rest of Canada because there was no legislation like this, and that made interprovincial trade extremely difficult. As the Minister of Commerce indicated, the difficulty came from the fact that Canadian laws dated back to the 1940s and that there was an unwillingness to evolve.

As I said a moment ago, Quebec trades mainly abroad, with the United States of America becoming our main trading partner. We also trade with the rest of Canada, although less and less as time goes by, and our trade relations with the rest of Canada or our provincial partners are also important.

Bill C-88 will normalize a situation that did not exist before. Take clause 9 of the bill for instance, which we have a problem with. It reads:

For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against a province pursuant to Article 1710 of the Agreement,

made between the provinces

the Governor in Council may, by order, do any one or more of the following:

The fault we find with this bill is that, once again, the federal government gives itself the prime role. In the context of federal-provincial relations, Canada has always give on itself the prime role and retained the right of disallowance. In this case, penalties could even be imposed instead of deferring to an arbitral tribunal, as would normally be the case between states or provinces.

We totally disagree with Ottawa giving itself the kind of power this legislation would afford it. As I said earlier, Quebec has always been in favour of interprovincial trade in Canada.

What I cannot understand is why Canada manages its internal trade the way GATT managed international trade in the late 1940s. Mr. Manley himself, the current trade and commerce minister of Canada, said so.

• (1100)

The important thing to remember is that, in clause 9 of this bill, the government gives itself a power to disallow and punish. We also object to clause 14, which reads as follows:

14. (1) The Governor in Council may, by order, appoint any person to fill any position that may be necessary or advisable, in the opinion of the Governor in Council, for carrying out the purposes of the Agreement.

This provision means that, once again, Parliament will not have a say regarding these appointments. The Liberals always talk about reforms. They always say that they want to change the system. Yet, when they introduce bills, we realize that this is impossible, that the system cannot be changed and that there will not be any reform.

Once again, the governor in council has the privilege of making appointments, without asking for Parliament's approval. Sometimes, we wonder what we, elected representatives of the people and regions of Canada, are doing here. We meet in this House as representatives of the people and that, as you know, is a costly process. However, when the time comes for the government to place its confidence in our assembly and seek its approval, that government bypasses the whole parliamentary process and makes appointments through orders in council or departmental orders.

Government Orders

If Canada is considering reforms, it must correct that situation and give much more power to this Parliament. Canadians and Quebecers are not stupid, you know. They are increasingly aware of the fact that we do not make many decisions here; we just talk. Everything is already decided, and this is what I strongly object to. Reform members also denounce that situation, and this is to their credit, even though we may disagree on what needs to be done. We happen to think that we are a different country. We feel that the chaotic situation in Canada could be corrected by making some constitutional changes.

The ball is now in the court of the people opposite. What will they do? Probably nothing. We will wait and see. We expect that futile discussions will go on for the next 30 years, but I have to say that we do not intend to stick around very long.

In conclusion, this bill provides once again the federal government with the power to act alone and not consult the provinces, something which is unacceptable. It is unacceptable because, in a partnership—as trade relations should be—one side cannot give itself the power to control everything.

Federalism will once again create difficult situations. This bill will probably be passed without amendments, like a number of other ones, thanks to the Liberal majority. By staying within the Canadian federation, Quebec will have to suffer the consequences of that legislation, which will increase the power of the federal government, at the expense of the provinces.

[*English*]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, here it is at least a year after the legislation was introduced. It wends its way through the labyrinth of our political process and finally finds itself back on the floor of the House of Commons.

I thought I would be speaking to the bill yesterday so I thumbed through November 1 in history. Of course today is November 2. Interestingly Michelangelo completed his work on the Sistine Chapel, but it only took him four and a half years. The legislation is progressing apace, but no one will compare it with Michelangelo's work on the Sistine Chapel.

• (1105)

Actually to many observers it looks like a make work project. Anyone who has given the matter even a modicum of thought understands and appreciates how ludicrous it is in our country, united from sea to sea to sea, that it is more difficult to trade internally than it is to trade with any other trading partner we may have in the United States or elsewhere in the world.

When the legislation was being put together and the debate among provincial trade delegations was taking place, more people were sitting around the table trying to break down the

barriers of interprovincial trade in our country than there were sitting around the table when we were trying to break down the trade barriers with the United States and to shape the North American Free Trade Agreement.

We had a situation where we were hopefully to have a North American Free Trade Agreement between Canada, the United States and Mexico and there were fewer people sitting at the table than when we were trying to break down internal trade barriers within Canada.

How did we end up in that situation? How is that our country ends up in a situation like that? Just a moment ago my hon. colleague from the Bloc spoke. I have had the pleasure of spending many hours in committee with the member listening to him defend the unilateral interests of Quebec. I have never once, in the two years that we have been here, heard him mutter one word about the rights, the interests or the values of Canada as a nation. Every word that has come out of the hon. member's mouth and the mouths of all members of the Bloc has been directly related to Quebec, how they can better the interests of Quebec.

The precise reason we have a problem in interprovincial trade in our country is that we have a kind of parochialism about our institutions. It is one of the primary reasons there is so much discontent from coast to coast. For years citizens of Canada resident in the regions of Canada on the east coast, the west coast, the prairies and the north were merely markets for the manufacturing centres of central Canada in Montreal and southern Ontario.

We now have an opportunity to break down trade barriers within Canada, which would greatly strengthen the economic prospects of all regions of the country, including the manufacturing heartland of Ontario and Quebec. And what happens? We get around a table to debate the opportunity to make our country better.

Canadians spent \$1.5 million or so to have Professor Michael Porter of the Harvard Business School do a study on Canada's competitive situation in the world. Interested viewers may know the same study or a study very similar to it could have been obtained for \$2,000 U.S. from the Harvard Business School video series. It is exactly the same; it is on competitive strategies.

In any event this \$1.5 million study has a recommendation at page 98: "Extend efforts to increase rivalry". It is a well known fact that to get a better product at a lower price we need competitive situations; we need rivalry. Professor Porter in his study asked how we were to be competitive internationally if we were not first competitive at home. How are we to be competitive at home if we have trade barriers that restrict competitiveness? It just makes sense.

This reminds me of the situation we found ourselves in when we entered into the free trade agreement with the United States

Government Orders

which members opposite, I would remind them, fought so vigorously. By and large members on this side and I were very much in favour of it.

• (1110)

An hon. member: They are born again.

Mr. McClelland: My colleague says that the Liberals are born again. They are learning. Here they are in government embracing the free trade agreement for the good of all. We are glad to see they have learned the error of their ways.

How is it that we entered into a free trade agreement with the United States, the most aggressive, strongest trading nation in the world, and had not first broken down the internal trade barriers in Canada? It is like getting into a fight with the biggest person in the school yard and saying: "I am going to fight fair. I am going to tie one hand behind my back just to make it fair for you because you are so big. Oh, by the way, just in case you think I might whip you, even though I have one hand tied behind my back, we will have the highest interest rates we have ever had, a high dollar, and we will fight with you in a free trade environment".

It was kind of like a Monty Python skit with the knight that had a head and a torso but no arms or legs. He had the knife in his teeth and was saying: "Fight fair, fight fair. I can beat you". That is what we did. We prostrated ourselves by having high interest rates and by having a high dollar, but most of all we had not broken down trade barriers within Canada so that we would be more efficient before getting into the free trade arena, the global trade arena in the world we find ourselves in. It is absolutely essential the trade barriers be broken down.

This speaks to the nub of the reason we are not supporting the legislation. People would ask: "How on earth can the member speak so positively about the necessity, the absolute need to break down trade barriers, and yet they will vote against the bill?" The reason is that the government has the responsibility to provide leadership and to make sure we actually break down trade barriers.

We get together with the provinces and have months and months of gumming this thing. Nothing happens. The disparity between the provinces in the way they approach the issue is enormous. The fault honestly should not be laid totally at the feet of the government because the provincial governments are involved as well. When the Alberta government came to the table to negotiate the free trade agreement it had one page with one line on it, that there should be no barriers to free trade in Canada. Our neighbouring provinces, Saskatchewan and British Columbia, came to the same meeting with a large stack to protect this, that and the other thing. Ontario, as I am told, made significant concessions. Quebec had to protect everything including the dairy industry and everything else it had.

This is where leadership comes into play, but the federal Liberal government did not lead. Its mandate is to keep people at the table to ensure laws are made to best accommodate the necessities of our country in the future.

In conclusion I will point out what leadership is all about. The Liberals will look at this era in history and hope that the writers and history will look kindly at them. They will look kindly at them if they seize the opportunity to make history, not to be carried along by events and overtaken by them.

Mr. John Maloney (Erie, Lib.): Madam Speaker, I am pleased to have the opportunity this morning to speak to Bill C-88, an act to implement the agreement on internal trade.

This piece of legislation is historic. With it we will be implementing within the federal jurisdiction the obligations of the federal government under the first comprehensive domestic trade agreement in Canada since the British North America Act, 1867.

In the 128 years since 1867 the Canadian economy has grown and evolved in ways never imagined by the Fathers of Confederation. The federal government still has under section 91(a) of the Constitution responsibility for trade and commerce and specifically interprovincial trade.

• (1115)

Since 1867 the world has changed significantly. The provinces have assumed prominent roles as influencers of economic growth and the regulation of trade and commerce within their respective territories. As a result, trading arrangements and regulations have developed in an ad hoc way often in response to a regional need.

Many of those measures have, often unwittingly, created barriers to trade as the impact on the free flow of goods, services, people and capital within Canada. Such barriers can lead to the inefficient use of resources and limit the ability of industry to take advantage of the economies of scale and to maintain competitive market positions. The result has often been to reduce the competitiveness of Canadian business and to adversely affect the Canadian economy.

There have been many examples of such impediments: different professional and occupational standards in different jurisdictions which limit labour and mobility between provinces; selective listing policies by some provincial liquor boards that discriminate against products from outside their provinces; different transportation regulations, safety codes, inspection arrangements and vehicle standards in each province which make it difficult for truckers to cross provincial boundaries; government procurement policies that give preference to local companies; provincial incentive programs for industry development; and construction procedures that differ from jurisdiction to jurisdiction. These are some of the more common examples of

barriers and impediments to interprovincial trade and commerce as exist in Canada.

A recognition that the patchwork of regulations, standards and other barriers to interprovincial trade which have grown around us was an unacceptable feature of the domestic market in Canada. It led governments to agree to negotiate the agreement on internal trade. Growing concern and evidence that these barriers to trade seriously affected our ability to remain competitive in the international trading environment fuelled the urgency of establishing a new trade regime in Canada: one based on more interprovincial trade; one that would not impede the movement of people and investment within the country; and one that would allow for co-operative approaches to the resolution of domestic trade disputes.

Bill C-88 represents the federal government playing its part in doing just that. This bill establishes the framework that will allow us to continue to work to create a trading regime that will remove barriers to interprovincial trade in goods and services; that will reduce impediments to the movement of workers and investment capital between provinces; and that will provide a forum for the resolution of individual trade disputes without resorting to the courts.

The process leading up to this bill has been a long one. It has involved many people and considered many issues and perspectives. In addition to the federal, provincial and territorial governments at both the ministerial and official levels, representatives of the private sector have been actively involved in the process.

Representatives of the private sector and of business interests in particular, have kept the pressure on us at all levels of government to deal with the problems of interprovincial trade barriers and the consequential economic costs to Canada. The Canadian Manufacturers Association has estimated that barriers to trade in our domestic market cost the Canadian economy over \$7 billion annually in job and income loss.

There has been a long and thorough process under way to identify problem areas and to develop practical, workable solutions. A key characteristic of the process has been the spirit of co-operation which all the parties involved have demonstrated. In fact, the agreement on internal free trade is an outstanding example of what can be accomplished within a co-operative framework in Canada.

It is also important to note that political parties of all stripes and all regional perspectives have been part of the process.

One fundamental point agreed on by all the parties in the negotiation process is a recognition that a more open trading environment will be good for Canada.

Government Orders

While the process was of long duration, it was characterized by co-operation and a sense of shared mission. The agreement represents a major step toward our shared objective of improving the domestic trading environment and to eliminating barriers to trade, investment and labour mobility in Canada.

The agreement on internal trade provides for the following: a rules based system for trade within Canada; a dispute settlement mechanism to resolve issues on internal trade matters; a standstill on new barriers; commitments to future negotiations to broaden and deepen the agreement; a code of conduct to prevent destructive competition from investment; increased labour mobility; and a commitment to reconcile standards related measures. These are significant achievements.

• (1120)

A key part of this agreement, indeed a key part of any trade agreement, is in how it resolves disputes. This agreement represents a unique solution to our unique Canadian circumstances. It has a made in Canada solution and it provides the basis for promoting compliance through consultation and co-operation rather than by resorting to more formal court based procedures. It is built on rules that draw on established concepts in the international trading environment, but has been refined for use in a Canadian context.

In the international trading environment there are several examples of accords and agreements which set out rules for trading between nations. There are many, many different models for settling disputes and achieving compliance. Well known examples include the General Agreement on Tariffs and Trade, commonly known as GATT, and now the new World Trade Organization, the WTO, the European Union and the North American Free Trade Agreement.

There have been suggestions that we in Canada should just use one or another of these models in the Canadian situation. These suggestions overlook the important issue of the sovereignty of the parties to an agreement, as well as the degree of political control that the parties themselves are willing to give up to a compliance mechanism.

In the case of the European Union for example, the central authority is supreme over that of the individual member countries. The European Union accord is a comprehensive agreement which gives the central governing authority the overriding power to propose and enact legislation that applies to all parties. That system is based on a legislative and judicial framework, so that a business firm or an individual who feels aggrieved by an action under the law of a particular nation can bring the case to the European Union council as the supreme authority.

Government Orders

Thus the parties to the European Union agreement have relinquished their sovereign authority in areas of trade law, competition policy and government support for industry and have agreed to accept a formal dispute settlement mechanism with the power to enforce decisions. If we applied this model to Canada, it would mean that the federal government would exercise authority over all the other jurisdictions. I wonder if those who recommend the European model are aware of that.

The General Agreement on Tariffs and Trade, GATT, offers a different model. Under GATT, member nations do not relinquish sovereign authority and disputes are brought forward by a sovereign government representing its national interest. Disputes are referred to an ad hoc panel that can recommend that a trade policy or course of action be changed, but the recommendation cannot be enforced in law. Thus parties to GATT retain their sovereign right to enact and enforce laws within their own country, but do not have recourse to an enforcement mechanism to change non-compliant behaviour outside their own boundaries.

The North American Free Trade Agreement is closer to the GATT model in that sovereignty remains within the national government of each state and disputes are brought forward by governments to the NAFTA commission, which is made up of the responsible ministers of each country who will set up a panel to consider specific disputes.

Whereas parties to the NAFTA retain sovereign authority with respect to enacting and enforcing national legislation, they have agreed to accept the authority of the NAFTA commission to administer retaliatory measures on behalf of aggrieved parties as enforceable sanctions. Thus, under NAFTA, parties remain sovereign states but have effectively ceded some of their sovereignty.

While all of these models have useful elements, none was applicable to the Canadian situation.

The internal trade agreement created a committee on internal trade to oversee its implementation and continuing operation. All governments who are party to the agreement, that is the federal, provincial and territorial governments, are members of the committee.

The committee will be supported by a secretariat which is to provide administrative and operational services. Part of the mandate of the committee is to assist in the resolution of disputes arising out of interpretations and applications of the agreement.

The working philosophy of the committee and of the agreement is to use consultation and conciliation in dispute resolution. Disputing parties will be encouraged to make every attempt through co-operation, consultations and other forms of dispute resolution to arrive at a solution.

I would suggest that Bill C-88 should be supported by all members of this House. It is a progressive measure, a progressive law. It will be good for the country. It will be good for the constituents of Erie riding which I represent.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Madam Speaker, I am speaking today on Bill C-88, an act to implement the agreement on internal trade.

• (1125)

As we are aware, the federal government must implement that agreement through Parliament. There are a number of points covered in this bill: the process for appointment of a federal representative to the Committee on Internal Trade; payment of the federal government's share of expenditures associated with operating the secretariat; the power of the governor in council to suspend, in special cases, the benefits granted under the agreement. Also, no private course of action may be taken based on the text or its implementing orders, nor the provisions of the agreement, other than specific exceptions, without the consent of the Attorney General of Canada. Here are a few more: retaliatory powers where the federal government is an injured party; changes in certain federal legislative texts to bring them in line with the agreement, such as the Financial Administration Act, the Crown Liability and Proceedings Act, the Interest Act and the Motor Vehicle Transport Act.

The role of the Committee on Internal Trade is to supervise implementation of the agreement and to facilitate dispute settlement. This bill ensures equal treatment of individuals, goods and businesses, regardless of their origin within Canada. It harmonizes standards and regulations in order to eliminate certain practices which might present an obstacle to interprovincial trade. It calls for the free movement of individuals, goods and capital.

The eleven sectors covered by the agreement are public contracts, investments, labour mobility, consumer measures and standards, agrifood products, alcoholic beverages, natural resource processing, communications, transportation, energy, and environmental protection. These various sectors are affected to varying degrees.

Retaliatory measures may be taken by the injured party against the party not complying with the agreement. A party may be a province, a territory or the federal government.

The main purpose of Bill C-88 is to implement the Agreement on Internal Trade. As other members of my party have already said, the Bloc Quebecois has always supported free trade, both internally and internationally. Consequently, we support the principle of this bill, and I must say I never understood why trade barriers existed between the various provinces in Canada.

I may point out that I object to the wording of clause 9 which provides that:

For the purpose of suspending benefits or imposing retaliatory measures of equivalent effect against a province pursuant to Article 1710 of the Agreement, the Governor in Council may, by order, do any one or more of the following:

It could be interpreted to mean that the federal government may intervene and impose retaliatory measures even when it is not a party to the dispute. Through this bill, Ottawa acquires a mechanism for imposing sanctions on the provinces. In fact, the federal government could impose all kinds of sanctions, including a reduction in transfer payments for provinces that do not abide by the agreement. This new intrusion by the federal government is unacceptable.

I said the Bloc Quebecois supports free trade both internally and internationally. I would like to comment briefly on NAFTA and continental free trade in the Americas.

At the summit meeting attended by presidents and government leaders in Miami, in December 1993, there was some discussion of this topic, and it was decided to expand NAFTA to include all countries in the three Americas in the largest free trade zone ever, from Alaska to Tierra del Fuego.

• (1130)

The first country to sign this free trade agreement after the United States, Canada and Mexico will be Chile, and I fully and strongly support the decision of Chile, my country of birth, to become a member of NAFTA. The Bloc Quebecois has done so as well. Everything was in place for Chile to become a member of NAFTA on January 1, 1996, but unfortunately, the fast-track legislation was not passed by the U.S. Congress, and there will be no quick negotiations as planned. It will take several months more before Chile can sign this agreement.

I would also like to say that, although I am in favour of free trade zones, including NAFTA, I am very critical of the agreement, especially its lack of a social dimension, although a parallel agreement on labour was adopted and a secretariat is starting to operate in Texas with officials from all three countries. Last March, I attended a conference in San Juan, Puerto Rico, to discuss the social aspects of NAFTA with participants from Mexico, Puerto Rico, the United States, Canada and Quebec. We noticed, as I do now, that unfortunately there has been very little debate in this Parliament and in Canada as a whole on the impact of NAFTA on workers. I found that unions do not play a role at all in the operation and administration of NAFTA.

Having lived in Europe for a number of years, I am familiar with the European integration process. I found that Europeans had more social concerns. Their treaty, for example, contains provision for the creation of a special fund to assist workers

Government Orders

affected by the European common market; a social charter, containing principles and provisions protecting workers, and an economic and social council where employers and workers may meet to discuss European integration.

Unfortunately, NAFTA contains no provision for minimum working standards, except in three areas: minimum standards must be met in health and safety on the job, child labour is prohibited, and each country in NAFTA must comply with its minimum salary legislation. No standards are set, however, for the three countries. There is no standardization in either social or labour terms. Provision could have been made for the inclusion of international labour standards in NAFTA, such as the convention on the right to unionize, unrestricted collective bargaining and the right of association. NAFTA contains no provision on the free movement of labour and nothing to protect immigrant workers. International free trade agreements must contain a social element, just as this social element must be included in free trade or common market agreements.

[English]

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.): Madam Speaker, the agreement on international trade came into effect on July 1. Bill C-88 is intended to make it possible for the federal government to comply fully with its obligations under the agreement. I therefore believe that it is important for the House to proceed expeditiously in its consideration of Bill C-88.

• (1135)

For years, business and private sector groups have complained to both the federal and provincial governments about domestic trade barriers and impediments to a free and open internal market. Numerous studies going back as far as the 1940 Rowell-Sirois commission have recognized the issue and documented the broad scope of the problem.

The Canadian Manufacturers' Association in 1991 estimated the cost associated with barriers and economic inefficiencies to be approximately \$6.5 billion annually. The most recent Statistics Canada figures indicate that interprovincial exports of goods and services in 1990 were worth \$141 billion annually and responsible directly or indirectly for 1.7 million jobs.

A recent study by the chamber of commerce underlined the fact that the Canadian internal market is the most interdependent of any area in the world. In agreeing to negotiate the agreement, Canadian governments recognized that how well our domestic economy works is key to how we will prosper as a nation and how we will compete in the international economy. An open domestic market and economy will allow Canadians and Canadian companies to strengthen their international competitiveness and develop new opportunities to grow and prosper. The alternative offers only an ultimately self-destructive

Government Orders

protectionism that benefits only a few special interests at the cost of the country as a whole.

When they agreed to negotiate the agreement on internal trade, the federal, provincial, and territorial governments all recognized and accepted the importance of working together in the national interest. In concluding the agreement, Canadian governments have demonstrated that they are prepared to work together, both now and in the future.

As the Minister of Industry has said in the House, the agreement is a consensual agreement. Some members opposite have criticized the agreement as inadequate and insufficient. The agreement may not be perfect, but it represents an improvement from where we were before. It reflects a consensus on the principle of an open and efficient national economy. It establishes a detailed rules framework for internal trade and it provides a consistent and defined process for preventing and resolving disputes that may arise over specific issues or measures.

All the parties have accepted to a greater or lesser degree disciplines that in the sectors covered will improve how the national economy functions in the future. It will be possible, indeed it is the government's intention, to work to improve the agreement in the future and to expand its scope and coverage. For the moment it is a start, a point from which to start to work. We can and we should build on that.

Some members have also criticized the government for not exercising its constitutional authority over interprovincial trade to open an internal market more forcibly. The national economy has become considerably more complex than it was when the constitutional powers of the different levels of governments were first agreed to in 1867. In the context of today's economy and modern Canadian federalism, the views of these critics are, frankly speaking, simplistic.

If anything is clear it is that a country operates most successfully when all levels of government work co-operatively in the national interest, not unilaterally and certainly not by fiat. Governments were not negotiating constitutional change in the agreement on internal trade. Rather, they were developing the basis of working together with their respective powers and responsibilities to make the national economy work more effectively and efficiently.

Unilateral action may be theoretically possible as a method to achieve the same ends. Some may consider it to be a desirable way of proceeding. However, it is simply not an effective or acceptable way to make Canadian federalism work.

Some members opposite have suggested that the government has a hidden agenda on Bill C-88, that it conceals a power grab and is intended to provide a means to force provinces to the will

of the federal government. That is purely and simply wrong. The Minister of Industry has responded at length and in detail to those allegations. I will not dignify them with further comment. Those should preclude even the most obtuse interpretation of the bill's language.

• (1140)

Bill C-88 does not deal with the responsibilities of the provinces or provincial measures, only federal responsibilities and measures. It is intended only to make it possible for the federal government to comply fully with its obligations under the agreement and to play its part in making the agreement work.

Bill C-88 gives the government specific authority or makes changes to certain pieces of legislation to enable it to act in accordance with its obligations. It also changes some existing legislation to make it easier for provinces to comply with some of their specific obligations under the agreement.

The Minister of Industry has indicated in a response to his provincial counterparts and to Senator Roberge that he intends to propose one or two amendments to Bill C-88 when it is considered in committee. I expect those will remove the grounds for misinterpretation or misrepresentation that some have made of the government's intentions.

We should be clear in our understanding that Bill C-88 does not by itself legislate or give life to the agreement on internal trade. The agreement has already been signed by the parties—the federal, provincial, and territorial governments. When it came into effect July 1 all those governments became bound by the obligations they accepted when they signed the agreement.

Each government is responsible itself for complying with its obligations and for living up to its responsibilities under the agreement. At the annual premiers conference this summer the provincial premiers and territorial leaders renewed their commitment to the agreement and to removing barriers. Two provinces, Alberta and Newfoundland, have already passed their implementing legislation.

As I said earlier, I believe it is important that we on the federal side proceed expeditiously in our consideration of this legislation. The federal government has played a leading role in getting all governments to work together in the interests of all Canadians on international trade issues.

Bill C-88 does what is necessary to ensure the federal level of government will be able to continue to play its role in the co-operative intergovernmental process. We should not delay it further.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Madam Speaker, I want to speak for a few minutes on Bill C-88 and look at some of the allegations that have been made in previous debates by some members about

Bill C-88 and the unwarranted concerns those allegations may have engendered in other quarters.

The opposition's allegations about Bill C-88 stem from an inability or an obstinate unwillingness to understand the plain meaning of the text of the bill. The Minister of Industry responded in detail to those allegations in this House in May and in June. I will refer to some of the points that need repeating.

Only in rare cases would the federal government be a complainant in a dispute under the agreement on internal trade. If a dispute were resolved in favour of the federal government and if the province involved refused to comply with the impartial panel's findings, the federal government could withdraw benefits of equivalent effect.

Such retaliation would have to be in the same sector as the original violation or in another sector covered by the agreement. Retaliation could not involve—this is important—transfer payments or social programs because those things are not covered by the agreement.

Bill C-88 does not make the federal government the policeman of the agreement on internal trade, as the opposition mistakenly insists. Any careful reading of the headnotes to clause 9 of Bill C-88 and article 1710 of the agreement on internal trade, combined with a minimum of logical reasoning, immediately gainsays the wild allegations that have been made.

It is important to stress that Bill C-88 deals only with what the federal government must do to live up to its obligations under the internal trade agreement and nothing else. Notwithstanding that the concerns expressed were totally unwarranted and clearly tactically motivated, the Minister of Industry has spent some time in committee and in other places speaking to the amendments in Bill C-88.

• (1145)

I will reaffirm that to date, Alberta and Newfoundland have passed legislation to implement the agreement and to comply with their respective obligations under it. Since tabling Bill C-88 in the House on May 1, in the cold light of day the actual substance of the bill has proven to be uncontroversial and designed only to enable the federal government to comply with its obligations under the agreement on internal trade and to meet the negotiated commitments, both legal and moral, to the other parties to the agreement, that is, the provinces and the territories.

There is so much one can say in support of this bill. I want to stress that this straightforward consideration of the bill has been more or less reaffirmed in the discussions and debates which have taken place. It is important to note the urgency of what we are asking now. The passing of Bill C-88 is important to underscore the federal part in ensuring the agreement is implemented.

Government Orders

This is a historic piece of legislation. It will allow the federal government to continue to play a lead role in concert with the governments of the other parties to the agreement. It is also intended to implement the first comprehensive domestic trade agreement in Canada since the British North America Act in 1867.

In the 128 years since 1867 the Canadian economy has grown and evolved in ways never imagined by the fathers of Confederation. The federal government still has constitutional responsibility for interprovincial trade and commerce, but successive governments as a matter of policy have chosen to work co-operatively with the provinces to address internal trade problems.

Barriers and impediments to internal trade lead to the inefficient use of resources. They limit the ability of industry to take advantage of economies of scale and to maintain competitive market positions. The result is to reduce the competitiveness of Canadian business and to adversely affect the Canadian economy.

It is incumbent on all Canadian governments to work together to make the national economy work as effectively and efficiently as possible so that all Canadians can enjoy the benefits of strong economic development, growth and prosperity. I call on all members to look at this straightforward legislation which will provide the needed facility as we work together to provide the kind of environment needed by our businesses.

We have sought to work co-operatively. The whole process which produced the agreement is testament to that. Our approach has been one which speaks to the fact that we are a truly responsible Canadian government. As a truly responsible Canadian government we can take those working arrangements between provinces into the future. I call on hon. members to give their support.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Government Orders

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Call in the members.

• (1150)

And the bells having rung:

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 45(7), the chief government whip, with the agreement of the whips of all recognized parties, has requested that the division on the question now before the House be deferred until Monday at 6 p.m., at which time the bells to call in the members will be sounded for not more than 15 minutes.

* * *

EXCISE TAX ACT

Hon. Michel Dupuy (for the Minister of Finance, Lib.) moved that Bill C-103, an act to amend the Excise Tax Act and the Income Tax Act, be read the third time and passed.

He said: Madam Speaker, I am delighted to introduce for third reading Bill C-103, an act to amend the Excise Tax Act and the Income Tax Act, a measure in support of Canada's magazine industry.

Canadian periodicals are a vital element of our cultural expression. They provide news and information, critical analysis, informed discourse and lively dialogue, all of which contribute to our sense of identity as Canadians.

In cultural terms, the Canadian magazine industry is a flourishing sector with over 1,300 titles available from over 1,000 publishers. The editorial pages of Canadian magazines contain ideas and information that are the page equivalent of 2,500 books per year.

[*Translation*]

Magazines reach specialized audiences not accessible to the other media, such as newspapers and television. They target new audiences and give them an opportunity to speak, thus creating a bond between readers who share similar ideas. Clearly, they offer very significant cultural advantages to a society as scattered and disparate as our own.

Canadian magazines also provide writers and artists with a means of expression. About 92 per cent of the editorial content of Canadian periodicals is produced by Canadian writers employed by these periodicals or working for them on a freelance basis. Canadians are also responsible for over 92 per cent of illustrations and photographs.

Canadians have access to a wide array of Canadian periodicals, from current affairs magazines like *L'Actualité* and *Maclean's*, to special interest publications in areas such as the arts, science and leisure, to general interest magazines aimed at a wide audience.

Some of these publications are academic in nature while others are low circulation magazines whose openness to experimentation in the arts and literature leads to cultural renewal.

The first Canadian periodicals were created in Nova Scotia at the end of the 18th century by immigrants from New England. The history of periodicals in Canada follows that of many writers, artists and merchants. It has led to the conception of innovative ideas, to the creation of original visual images, and to the emergence of new forms of cultural expression.

More importantly, the history of periodicals in Canada is also a political saga in which individual interests have survived in an environment dominated by foreign interests.

• (1155)

For the government, the challenge has always been to strike a balance between preserving Canada's cultural autonomy and allowing the free flow of ideas.

[*English*]

The factors that define the environment in which Canadian publishers compete for Canadian readers include: the impact of foreign magazines on the market; the relatively small size of the Canadian population; the difficulties and cost of distribution over our huge territory; the openness of Canadians to foreign cultural products; the effects of the cover prices of imported magazines on the Canadian price structure; news stand competition from foreign magazines; and the impact of overflow advertising on the potential advertising market in Canada.

In addition, today's tough financial and fiscal environment takes its toll. In 1992 for example, more than half of Canadian magazines had no operating profits. The average operating profit for the industry as a whole was only 2.36 per cent. The success of the Canadian magazine industry can be better described as cultural rather than financial. Canadian publishing ventures of all types have been sustained by the creativity of writers and publishers and the interest of readers.

Magazines must build and maintain their readership over the long term. Also essential to their survival are advertisers. Canadian magazines depend on advertising for 65 per cent of their revenue.

[*Translation*]

The government's policy concerning the Canadian magazine industry is to encourage Canadian businesses to advertise in Canadian periodicals and in periodicals whose content is original rather than recycled, and to help publishers reach their market.

Since 1965, two measures have helped inject advertising revenues into the Canadian magazine industry. These two measures are customs tariff 9958, which prohibits the importing of split run periodicals, and section 19 of the Income Tax Act, which permits the deduction of the costs of advertising directed at the Canadian market, provided this advertising is placed in Canadian editions of Canadian owned or controlled periodicals.

In April 1993, the arrival of *Sports Illustrated Canada* in our newsstands marked the beginning of a new way of dealing with the Canadian market for the American magazine industry.

[English]

Sports Illustrated Canada was able to sidestep tariff code 9958 by electronically transmitting the main editorial content from the United States to a printer in Canada instead of physically importing the split run edition into Canada. Domestic ads were substituted for foreign ads and some original content was added to the existing editorial content. Thus, *Sports Illustrated Canada* demonstrated that the tariff code was no longer completely effective in dealing with split runs.

This new development underscored the need to update the legislative measures in place to support this vital sector of our cultural industry. It has been asserted that Investment Canada Act guidelines announced in July 1993 effectively foreclosed the possibility of any further split runs in the Canadian market. These guidelines however, can only apply to businesses in Canada. As we have seen with *Sports Illustrated Canada*, the publisher does not need a place of business in Canada in order to publish split runs in our country. Hence, Bill C-103.

• (1200)

First, an amendment to the Excise Tax Act will impose an excise tax on split run editions of periodicals attributed in Canada.

Second, an amendment to section 19 of the Income Tax Act will add an anti-avoidance rule relating to the deductibility of advertising. This will ensure that newspapers and periodicals that purport to be Canadian are in fact Canadian owned and controlled.

These are measures that will level the playing field for the Canadian magazine industry. That is fair. It is our responsibility to ensure that the Canadian magazine industry can compete for ad dollars.

[Translation]

The task force on the Canadian magazine industry was set up because the *Sports Illustrated Canada* case had demonstrated that the existing legislation could be circumvented. And I would like to clarify an important point here.

The problem does not rest with the general idea of publishing a sports magazine in Canada. It has to do with advertising revenues. The fact that a split run edition of *Sports Illustrated Canada* was sold in our newsstands shows that split run editions can enter the Canadian advertising market in spite of the existing legislation.

The task force set about its task in April 1993. Its mandate was to find sound and practical ways to ensure that the federal policy of assistance to the Canadian magazine industry would remain effective.

Government Orders

Task force members had an extensive knowledge of and experience in the Canadian magazine industry. There were members from every region of the country, including advisors working for the advertising industry or the Consumers' Association of Canada, representatives of the Canadian magazine industry and international trade experts.

This group of highly competent individuals carried out their task superbly. Not only did they provide us with an in-depth and up-to-date analysis of the Canadian magazine industry, but they also demonstrated the need to update existing legislative instruments governing the Canadian magazine industry.

[English]

We have relied on the advice of the task force because it examined closely all possible options. For example, the task force concluded that split runs could lead to a possible loss of 40 per cent of the industry's advertising revenue. That is \$200 million annually.

Fiscal concerns ruled out establishing an industrial support program of such magnitude. The proposed tax is the most reasonable and practical structural measure. At 80 per cent, the tax can effectively achieve its objective of encouraging original content.

The task force concluded that the adoption of an excise tax measure that encourages ad revenues to flow to periodicals containing original editorial content in magazines would be the best way to assist Canada's magazine industry in a manner consistent with our trade obligations. By promoting original content, the tax will also ensure that all publishers are competing on a more even footing for Canadian advertising revenue.

A number of questions and concerns have been raised during the debate on Bill C-103. I would like to take this opportunity to address some of them.

It has been suggested that Canadian magazine publishers should take advantage of the opportunities provided by the free trade agreement and sell into the United States. American popular culture is part of the every day life of Canadians and so the editorial content of American magazines is generally of interest to Canadians. The reverse is not true. Canadian popular culture and Canadian issues are not part of the every day life of Americans.

• (1205)

To succeed in the United States, Canadian magazines would have to change their editorial content to such an extent they would no longer be Canadian magazines.

The question has been raised whether the proposed excise tax is a valid use of the federal taxation power. Let me assure the House that Bill C-103 is a valid exercise of the federal taxation power. The measure is of general application, since it will apply

Government Orders

to any split run edition distributed in Canada. Tax measures are not always solely for the purpose of raising revenue. Tax measures may also be used for other economic and social objectives.

Examples are the tax treatments of RRSP contributions and the child tax benefits.

[*Translation*]

Finally, to those who criticize such a tax because of its discriminatory nature, I say that this tax measure would apply to any split run edition, whether produced by a Canadian publisher or a foreign one.

With Bill C-103, the government's objective is not to limit access to foreign magazines, but to preserve a market in which Canadian publications can do well in our country and continue to be sold alongside foreign magazines.

The federal policy of supporting the Canadian magazine industry has been in place for a long time and remains unchanged. In fact, Bill C-103 reinforces that policy by adapting it to the new reality. This legislation will enable the industry to meet the challenges created by technological changes, such as those which have resulted in the split run edition phenomenon in Canada.

An open and stable structure for transborder exchanges is one of the greatest assets for our country. In a huge and diversified world market, with globalization increasingly prevalent, our culture allows us to be different from the other countries. As a government, the challenge is, as always, to maintain efficient policies and policy instruments that will promote cultural development. We must also seek to achieve a balance between the sometimes competing interests of our foreign trade, on the one hand, and the preservation of our cultural identity, on the other.

[*English*]

Bill C-103 meets those important objectives. Canadians value who they are as a people and as a country. They want and deserve access to cultural products that mirror the Canadian experience and outlook, to give Canadians what they want and deserve, means ensuring that our cultural industries remain healthy.

It is not enough to say, for example, that the circulation of the top Canadian magazines has increased while the circulation of the top U.S. magazines in Canada has decreased. The reality is that Canada's top magazines are up against the combined force of the much larger number of American magazines in circulation.

In conclusion, the 1970s and the 1980s saw an unprecedented explosion of cultural activity which produced a broad range of Canadian artistic products. During this time Canadians continued to define themselves and their values in a uniquely Canadian way.

[*Translation*]

The federal government has taken several measures to increase the share of the internal market held by Canadian cultural products, and to improve the ability of Canadian artists and cultural industries to create and market their products in our country. In the nineties, the Canadian cultural policy expanded, so as to include many new components. This complexity is the result of market globalization, as well as the extraordinary development of our artistic and cultural activities.

• (1210)

The main objective of our cultural policy still is to make sure that Canadians have access to Canadian products in order for them to share common values and symbols and continue to develop a cultural identity fitting their image.

Bill C-103 is an extension of our cultural policy. Even if the challenges are many, our track record shows that we can not only meet them but do an excellent job of it.

[*English*]

I will conclude with a quote from the report of the task force on the Canadian magazine industry. "Magazines help foster in Canadians a sense of ourselves. They enable us to see ourselves as no others see us. They also enable us to view the rest of the world from a Canadian standpoint. They are the thread which binds together the fibres of our nation".

I urge my colleagues to support Bill C-103 at third reading.

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, today we are debating, at third reading, Bill C-103, an act to amend the Excise Tax Act and the Income Tax Act. On behalf of the Bloc Québécois, I rise today to reiterate our support of this bill, which is basically aimed at putting an end to the distribution of split run editions in Canada and at strengthening the provision granting tax deductions to Canadian companies advertising in Canadian newspapers and magazines.

For the benefit of our listeners, I should add that a split run edition is an edition in which more than 20 per cent of the editorial content is of foreign origin.

It is important to note that this bill was made necessary by the government's lack of action to take the required steps to ban split run editions in Canada.

In 1993, Time Warner advised the Canadian government that it intended to distribute a split run edition of *Sports Illustrated* in Canada. As I said in my September 25 speech, instead of acting, the government chose to appoint a task force to study the issue. *Sports Illustrated* went ahead with its plan unhindered and with the full knowledge of the government.

Time Warner simply decided to electronically send the editorial content of its American magazine to Canada. It then sold advertisement to Canadian companies, and printed and distributed its magazine in Canada. Therefore, dumping advertising was possible for *Sports Illustrated* because its domestic market already covered its production costs. It could sell ads much cheaper and undermine the magazine industry in Quebec and Canada.

However, and I want to be clear on this point, that measure is not aimed only at *Sports Illustrated*. In fact, it became necessary because *Sports Illustrated* was the first magazine to circumvent the intent of the Canadian law. I know, and it was said repeatedly at the finance committee, that other businesses are only waiting for a slight bending on the part of the Canadian legislators to do exactly what *Sports Illustrated* did, that is transfer some editorial content to Canada and practise advertisement dumping.

I would also like to remind you that this bill was requested by representatives of the magazine industry in Quebec and Canada mainly for two reasons: first, because the industry could not have grown without the proper protection measures and second, because there is no financial security in that sector of the cultural industry.

For example, at the finance committee, Mr. Jean Paré, editor of *L'actualité* and representative of the Association québécoise des éditeurs de magazines, when speaking about the impact of the measures implemented by Canada to protect the Canadian magazine industry, told the committee that most of these magazines would not exist without the measures that successive federal governments have implemented over the last 30 years to level the playing field for Canadian businesses in the international market and ensure fair competition.

• (1215)

“The proof of our argument is that, before this legislation was adopted, our industry was nonexistent. The magazine I represent will be just 20 years old in a few months. When it was started up, only three of the 57 periodicals I represent today were in existence. The combined annual circulation of those in existence at that time was a mere six million copies. Today, our 57 members have a total of 80 million annual circulation; with the nonmembers added in, the figure is 138 million. The legislation adopted 25 years ago triggered investment in these businesses. The magazine industry in English Canada has followed almost the same path.”

In his presentation to the finance committee, Mr. Paré indicated that, at first sight, one might think that these figures indicate that the magazine sector is a healthy one, but this is not the case. In fact, his statement to the Committee confirmed the conclusions of the task force on the Canadian periodical industry. Mr. Paré said:

Government Orders

“One might think that this is a robust and flourishing sector of the communications industry. Not in the least. Nine out of ten of these magazines are not cost-effective and are in existence solely because the publisher has a few profitable titles. This minority of profitable magazines, moreover, has to settle for profits that, on the average, barely exceed 10 per cent, far from what is considered a minimum in the US. Between 60 per cent and 70 per cent of these magazines' revenues come from advertising and a 10 per cent cut in advertising would probably wipe out the entire Canadian magazine industry”.

Sports Illustrated also testified before the finance committee. During its presentation, the company stated that Bill C-103 was unfair because it specifically targeted *Sports Illustrated*.

In fact, it is true that the bill calls for imposition of an 80 per cent excise tax on the advertising revenues of split run magazines, and that this measure must be applied to *Sports Illustrated*. The bill states that this measure does not apply to those split run periodicals which were already published and distributed in Canada as at March 26, 1993, and *Sports Illustrated* began its Canadian distribution on April 1, 1993.

Contrary to what Time Warner, the publishers of *Sports Illustrated*, would have us believe, this measure is not solely aimed at its magazine. In his presentation to the finance committee, Mr. Paré described as follows the competition Quebec magazines might face if Bill C-103 were not passed by this House, and I quote:

“The publishing giants are not all American. They do not publish in English alone. The competition comes from German, French and British companies as well. These gigantic concerns, which may own hundreds of different magazines, the smallest with a circulation that sometimes exceeds that of the biggest Canadian magazines, are increasingly publishing in all languages in compact editions with adapted content, in order to skim off advertising revenue in as many markets as possible. These international publishers are now discovering Canada”.

So Bill C-103 is not exclusively aimed at *Sports Illustrated*, as Time Warner would have us believe, but also at all the other magazine publishers who are waiting to see what will happen to this attempt by an American magazine to enter the Canadian market.

In its presentation to the finance committee, *Sports Illustrated* insisted that it participated in Canadian life, first by printing stories on Canadian teams and athletes like the Toronto Blue Jays and Elvis Stojko, and second, by creating jobs in Canada. In this respect the magazine's representatives stated, and I quote:

Government Orders

“—the company saw this as an opportunity to create jobs for Canadians in printing and distribution, and assignment opportunities for Canadian journalists and sports photographers”.

• (1220)

According to our information, however, Canadian content in *Sports Illustrated* is minimal. Furthermore, it seems that the stories in *Sports Illustrated* that feature Canadian athletes would have been included in any event in the U.S. version of the magazine. Elvis Stojko may be a Canadian, but he also won the gold for figure skating, which makes him an international star, so it is not surprising he would be featured in *Sports Illustrated*. In fact, it would be surprising if *Sports Illustrated* did not have a story on Elvis Stojko.

As for job creation, I am told that the contribution of *Sports Illustrated* in this area is rather meagre. With both versions of *Sports Illustrated* being produced entirely in the New York, Canada's editorial contribution was to all intents and purposes nil. As to the job of printing, one printer estimates it takes a maximum of nine hours press time to print an issue of *Sports Illustrated*. We really have to ask ourselves just how much *Sports Illustrated* contributes to Canadian culture and employment.

On the other hand, *Sports Illustrated* clearly creams off the advertising market by selling its advertising space at cut prices. In its brief to the Standing Committee on Finance, the magazine announced its intention to change from a monthly format to a weekly one, an announcement that will hardly be reassuring for the Canadian industry, if the government does not act diligently.

This legislative measure is important for the magazine industry. I would, however, like to take this opportunity today to remind the government that it must also implement the other measures put forward by the task force on the magazine industry.

They are: first, freeze the funds set aside for the postal subsidy program at their 1995 level and second, remove the GST from all reading materials. The Liberal Party of Canada made clear and formal commitments in this regard. It passed a resolution to the effect that a Liberal government would reaffirm the historical principle of not taxing the publishing industry and would remove the goods and services tax, the GST, from all reading materials. We are still waiting for these promises to take effect.

Third, the Government of Canada should be obliged and the provincial governments encouraged to place advertising messages to the people of Canada in Canadian magazines only. Fourth, the Investment Canada Act should be amended to ensure that the Department of Canadian Heritage vets all measures approved by Investment Canada concerning periodicals and magazines.

[English]

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, it is a pleasure to address Bill C-103.

The real question governments have to ask themselves when they are creating legislation that deals with issues like cultural trade policy is who is the real guardian of cultural trade or culture in Canada. We have to ask ourselves who is the real protector of consumers. Is it the government or is it Canadians themselves? Those are the critical issues.

I will not talk today about the technical aspects of this piece of legislation. We have done that in committee and over the last several days in other speeches. I will not get into that, but I want to talk a lot about the principle that surrounds who determines what culture is, which culture is worth protecting and why culture should be protected at all. That is the critical issue underlying the debate today. We are having a technical debate about this piece of legislation but it goes deeper than that. It goes right down to who is the guardian of culture in Canada. We can even extend that and say that it applies to the debate we have had on what is going on in Quebec, the referendum campaign, and who makes determinations about who knows best what is culture and that kind of thing.

• (1225)

I will talk about that matter over the course of my speech from a couple of different perspectives. I will talk about it from the cultural perspective and from the economic perspective. Again the question is: Who knows better what is best for the ordinary consumer of cultural and the protection of culture and who knows best for the ordinary consumer, the ordinary person who pays taxes? I would argue in both cases that ideally it is individuals themselves and failing that it is lower levels of government.

First I will talk about the economic issues. The minister spoke at great length about how it was important to protect the magazine industry in Canada and that we needed the legislation to do it. What about all the other people affected by the legislation? It is not just the magazine industry that has a stake in it. Certainly advertisers use magazines as a vehicle to get their message out to the consumers. What effect will the legislation have on them?

I will give an example of how the legislation harms the ordinary advertiser and why that is a problem. A business somewhere in Ontario is selling computers and using *Sports Illustrated* to get its message out because it had the perfect demographics and the right audience. All of a sudden it will be denied that vehicle. However its competitor, IBM out of the U.S., will not be denied that vehicle. It will be able to use SI's North American circulation to deliver that message against me. In doing that it will have an unfair competitive advantage.

Government Orders

It is not the fault of the business in Ontario that is trying to sell computers. It is the fault of the government that is denying *Sports Illustrated* the chance to come into Canada and sell advertising to businesses like that. These products have a value to the people who use them. That is why they spend money on them.

We are denying that business a chance to use that vehicle to capture its own market. We may have a situation where IBM is coming in and is dominant in Canada because it has access to very cheap advertising that the business from somewhere in Ontario does not have. We are discriminating against the advertisers, the businesses that are employers of people and pay taxes to the Government of Canada. We are denying them that chance. That is one reason the legislation is wrong.

The hon. minister talked about the fact that there are many Canadian magazines and people have access to them. What about the magazines we do not have access to because of the legislation? We do not know which ones they are. One of the theories of economics is that we never see the sometimes unintended, invisible results of economic policies.

What about those who cannot afford the subscription rates? What about those magazines? What about the ones that use the advertising revenue to get a wider distribution so that they can charge more for their advertising? We will never hear about those magazines. They will never come here because they cannot support their subscription rates with more advertising rates. We are denied access to those. We will never know what we are missing because we will never see those magazines.

The same argument goes to the price that we pay for the ones that get here.

• (1230)

It is well known that prices are much higher in Canada for American or foreign magazines than they would be in their country of origin. I would argue that the reason is that the subscription price cannot be underwritten by the advertising revenues. Therefore we again have a situation in which the consumers are taking it in the ear so that we can protect a certain privileged class, a group of people who publish magazines in this country and are lucky enough to enjoy the protection of the Canadian government.

In all these ways, consumers and advertisers are paying a high price for this government's policy. I point out again that in doing that we are denying people the chance to take their disposable income and spend it in other areas and cause the economy to grow and create jobs, the multiplier effect, et cetera. That is precisely how it works when there is free trade.

Before I talk about free trade in general I want to talk for a moment about the idea of an 80 per cent tax and about the principles on which the Canadian magazine industry has fought this issue. To find out where those principles come from we have to go back to an earlier debate, to the debate about the GST.

There was an enlightening article in the *Montreal Gazette* on Monday, October 30, which I would like to quote. I think it puts the argument of the Canadian magazine industry into perspective and helps us to understand where they are coming from. This is from an article by William Watson, economic affairs editor of the *Montreal Gazette*:

Those who support the law, i.e., the Canadian magazine industry, argue the Americans have an unfair advantage. Their U.S. stories have already been written and therefore cost the split run virtually nothing. By contrast, editorial content in all Canadian magazines is all new for the Canadian market, so the playing field is uneven.

Well, the playing field for bananas and oranges is uneven too: tropical countries produce them much more cheaply than we do, but we do not insist Canadian fruit lovers buy Canadian-made oranges and bananas. If Canadian readers prefer cheaper U.S. editorial content to more expensive Canadian editorial content, why should Ottawa interfere with their choice?

When the GST was first being debated, the Canadian publishing industry ran an ad campaign, the gist of which was that other countries used to burn books, we just tax them. But now the very same industry is pushing an 80 per cent tax on one form of reading material.

Burning books is OK, I guess, so long as the books are American.

A very good argument is made in this article against the argument the Canadian magazine industry was using. They also make a very cogent argument for individual Canadians to be the protectors of culture. They are saying that individual Canadians should be the guardians of culture in this country.

It is the old cliché that beauty is in the eye of the beholder. While the Government of Canada may think something is not very good editorial comment or content and it may somehow be un-Canadian, other people may appreciate it. It enriches their lives, as reading always does. They find it fulfilling. That is why they read it.

By denying some of these magazines a chance to earn revenue by picking up advertisers in this country, we are in some cases denying them the chance to actually send their magazines into this country. This article absolutely explodes the argument of the Canadian magazine publishing industry, going back to the GST debate, about the GST being a form of book burning then, but when there is an 80 per cent tax on *Sports Illustrated* it is somehow different.

I really do think this argument is all about who should be the real guardians of culture in this country. I could go on about that in more detail, but I want to get on to the whole idea of free trade and something I talked about yesterday. It makes the point and so I will raise it again.

Government Orders

• (1235)

I remember from the free trade debate in 1988 all the articles and various newspaper, video, and TV clips that we saw about the effect free trade was going to have on the wine industry in Canada. I bet a lot of people remember that. I remember how people said it was going to devastate grape growers and the wine industry in Canada. There were all kinds of protests. We saw them in the Okanagan and also in southern Ontario.

At the end of the day, completely the opposite was the case. Not only did the wine industry thrive, it is now acknowledged around the world as one of the finest wine industries in the world. We have won all kinds of rewards as a result of the competition free trade brought in, which forced wine growers to become efficient and among the best in the world.

The same happens in every sector when we allow it to happen. It gets back to this whole argument about who decides what is right for the country. Should it be the government or vested interests? Should it be particular interests, which of course will never turn down protection from the government? They will invite it. However, at the end of the day, what is best for consumers? Consumers end up with a cheaper product. They end up with more selection. They end up with the highest quality. Should that not be the standard we strive for? That is exactly what we get when we have free trade, even in the cultural industries.

Again I say that Canadians themselves should be the guardians and protectors of their own culture. They are more than capable of doing that. They are very sophisticated people. They can make those decisions for themselves. I want to point to some examples where I think the cultural industry is doing extremely well, where it does compete in the world extremely well.

Before I do that I want to touch on an issue the minister raised. He talked about general interest magazines being of interest to Canadians when they come from the United States but not necessarily the other way around. In other words, Americans may not be very interested in general interest magazines that come from Canada. I do not really disagree with that; it is probably true. We could make some arguments that if there are retired Canadian people in the States there may be some interest in these general interest magazines. That is probably true, but that is really not the point.

I take the minister's point. However, what about all the specialty magazines? What about, for instance, a golf magazine? Why does a golf magazine have to come from the United States? Why cannot golf magazines come from Canada and be exported into the United States? For crying out loud, there is no difference in the game from one country to the other. In fact we have Canadian golfers on the professional golf tour. Why can it not work that way?

We had a witness before us who I guess was representing the interests of the Canadian magazine industry, but that person acknowledged that their magazine has about 30 per cent of their circulation into the United States. Obviously that is not something they would want to lose. It helps them to make a profit and strengthens their industry.

I would argue that if we want to strengthen the industries then we cannot rely on the tiny population, relatively speaking, that Canada has compared to the United States or the rest of the world. To further make the point, when we had a member of the Quebec magazine publishing industry before us he talked about the threat Quebec magazines faced if split run publishing was allowed in Canada. He talked about the possibility of all these magazines from other countries in the world coming in. He was not so worried about the U.S., of course, because it did not publish that often in French, but the big competitor was France. He talked specifically about France and actually Germany. He also talked about the Swedes, the Swiss, the Belgians being a threat. That struck me as very odd, because here are tiny countries, smaller in some cases than Canada, and they are a threat to Canada with their publishing industry. That struck me as extremely odd.

• (1240)

If a person thinks about it, what they have realized and what they are doing is saying they cannot survive, probably the French juggernaut as well, by remaining insular, by looking inward. They have to take their product and market it to the rest of the world. They were trying to do that in Quebec and no doubt in other places around the world. That is how they were not only surviving but thriving.

To me that makes eminent sense. If one has a small market, the best way to turn the tables on the guys who are using the economy of scale on the person is to turn around and use it back on them, to use one's editorial comment and mass produce it to get into other countries around the world. In specialty magazines that can be done. We are seeing it to some degree through Canadian magazines already in the United States, but there is certainly a tremendous market to keep doing it or there is a tremendous market there and tremendous potential to keep expanding.

If we put impediments in place that prevent us from doing that, like the clause in the split run bill, Bill C-103, which does not allow Canadian magazines—this is unbelievable—that have a circulation in the United States that is less than it is in Canada to send back the editorial content via split run to Canada, then we are putting up an impediment that prevents our magazine industry from becoming bigger and from going out into these other countries and really making it more viable over the long run. I do not understand why in the world we are doing that.

Government Orders

We had people before the committee and one of the magazines doing that is *Harrowsmith*, a Canadian magazine that has a circulation in the United States. It is publishing out of New York and sending stuff back by split run to Canada and using the same content, but it is a Canadian magazine. Those people voluntarily said that if this is to be an argument used against this legislation, they will quit doing split run because at the end of the day it is in their best interest. That is not an argument, in my judgment. It is fine for them to say that; they are established down there now. But what about the guys who want to go down there and get established by having, for instance, a specialty magazine that appeals to Canadians and to Americans and to anybody who speaks the English language? Why are we standing in the way of that? That is the way to make our industry viable.

From what I have seen in the book publishing industry, we have some of the best writers in the world. We can produce editorial content that is better than anybody else's in the world. We have proven that before. Look at the book publishing industry and at how widely read Canadian books are around the world and you will know we are producers of great writers. We can do that. The same argument applies when we are talking about French writers. We could produce some of the best editorial content in the world, but we are being denied the right to do that, partially through this split run clause in the legislation.

It is more than that. It is the attitude. We are saying do not let the Americans in and we will not go in there. It is kind of a saw-off. It is crazy when we have so much to share with the rest of the world, the best artists and writers and creators of all kinds in this country. It is absolutely crazy that we are doing that.

Yesterday I mentioned this, but I will bring up again the Canadian Association of Broadcasters convention I attended on the weekend. The minister was there as well and spoke to the convention. What I want to talk about is how Canadian broadcasters have really gone out and made a success of themselves around the world because they have not been afraid to use the economies of scale, taking Canadian product and using it across the world.

● (1245)

One of the best examples of this is CanWest Global of Winnipeg which is huge in New Zealand and in Australia. Another very good example is Power Corp. which is now very big in Europe. I understand it is the biggest broadcaster in Europe and is doing extremely well. Another example is Electrohome Ltd. and there are others.

These companies take the programming they produce here and to take full advantage of the economies of scale they have marketed around the world. They have done extremely well. It means jobs for Canadian film makers, jobs for Canadian actors, jobs for Canadian screenwriters. Already we have the begin-

nings of a cultural industry which is doing extremely well in so far as it is allowed to compete freely in the world.

We should not be looking inward. I go back to what I started with, the real guardians of Canadian culture cannot be the government. It cannot make those determinations. There are too many different opinions out there. The real guardians of Canadian culture have to be individual people. People are very intelligent. They can make these determinations. They do not need the government dragging them around by the nose telling them that this is worthy of protection. That is crazy. We are too grown up for that.

Another issue needs to be raised and that is the whole issue of what may happen if we become too protectionist of our markets. It was not very long ago—the minister was involved in this—that we ran into precisely that type of problem when we decided to kick CMT out of Canada. CMT was Country Music Television, a video network, which had been in Canada for several years. Then a Canadian service came on and CMT was thrown out. It caused a rift between us and the Americans.

We are an exporting country. I hate to see that market close down for Canadian producers of culture because we make so much money from it. It enables those people to survive. What we saw in the CMT incident was the possibility that we were going to have the market closed off to us for our cultural exports. That is extremely dangerous. A good example of its importance is to look at how fast the private sector cultural industries have grown in the last few years.

As the subsidies from government diminish—the minister will certainly acknowledge they have diminished over the years—the private sector cultural industries have boomed. First, they need neither cultural protection nor subsidization. Second, they have been successful and are continuing to be successful at exporting their products to the United States and other countries around the world which has certainly meant substantial growth in that sector. Returns were around \$16 billion in 1993 and were up to \$22 billion in 1994, about 3.7 per cent of the GDP. This sector is actually growing very quickly which I believe bodes well. I will discuss this in more detail shortly.

Protectionism is a very dangerous route to go if we depend on other markets to make our cultural industries profitable. If they are closed down we are in big trouble.

I want to talk for a moment about what I see as the way to make cultural industries prosper and really do well in this country. I touched on the fact that private sector cultural industries are growing like crazy due to a couple of reasons. One of the reasons is that as the population ages people are spending more of their money on cultural products like movies, going to the theatre, books, magazines and so on. In a speech in the House not too long ago, the minister pointed out that as disposable income has increased over the years we have seen the Canadian

Government Orders

magazine industry do extremely well. Having more disposable income is the real key.

• (1250)

That brings us back to the whole debate about the deficit, the debt and taxes. I hate to mention it again. I mention it every time I speak but it is a huge cloud that hangs over our heads. The debt in this country is \$560 billion. Yesterday we found out that 34 cents, or one-third, of every tax dollar goes toward interest on the debt. That is an unbelievable amount of money.

Can members imagine if we did not have to pay that, if we could keep it in our pockets, how much more people could purchase? Cultural industries would absolutely boom. We would not even be having this discussion about protecting the nation's cultural industries. They would absolutely explode.

In my judgment, we should not be wasting all this bureaucracy and people's valuable time to come up with more regulation and more protection. What we should be doing is beating down the debt, beating down the deficit, getting to a point where we can keep more money in our pockets. Canadians will go out and support magazines, not because they are Canadian but because they speak to us about things we are interested in.

As I said in committee, as long as politicians are wasting money in Ottawa and as long as there is crime in the streets, people are going to want to know what is going on in Ottawa, in their government and in their country.

The best way to do that is to find out from the people who publish Canadian magazines. Canadian magazines already have a huge head start. They already have the history, and the people running them who understand the country. That is a huge advantage over anything that comes in from outside the country.

If they have disposable income, Canadians will make those decisions themselves. Those people are the true protectors of Canadian culture. They will make those decisions for themselves.

Canadians over the years have demonstrated time and time again, better than government, that they can make decisions about important issues far better than politicians in Ottawa can, far better than the bureaucrats can, far better even than the provincial governments and even municipal governments can. I argue that those two levels of government make better decisions than the federal government. Ultimately people have displayed that they are more than mature enough to make excellent decisions on behalf of themselves, their communities and their families.

What this whole debate has been about, if one just sort of looks past all the technical issues and the details, is who should decide what is best for me. Should it be the government or should it be me? My colleagues and I would argue and a whole

bunch of Canadians would argue that they should make the decision for themselves. Let us get away from the idea that the government knows best because people do not buy into that any more. Let us get away from the idea that one man or a cabinet can decide for 30 million people and all the different groups that make up those 30 million what is culture, what is art.

It is impossible. It is crazy. We have a chance to roll that tide back by voting against this legislation. I encourage all members to take a close look at the principles behind this legislation and to ask themselves who the guardians should be of Canadian culture. Should it be the Government of Canada, bureaucracies or should it be people themselves?

At the end of the day in their heart of hearts, they will admit that the people are more than capable of making those decisions.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I would like to bring coherence to this debate and to speak to Bill C-103. Bill C-103 will play a major role in maintaining a vibrant and flourishing Canadian magazine industry. I want to use my time to present a broader perspective of the government's ongoing commitment to this industry.

• (1255)

This bill should be understood in the context of a long-established tradition of government support to the Canadian magazine industry as well as the industry's contribution to Canada's economy. More important, in a country where natural geography makes communication difficult, magazines play a key unifying role.

Canadian periodicals are an essential medium of cultural expression for Canadians. They serve as channels for conveying Canadian ideas, information and values. They are an integral part of the process whereby Canadians define themselves as a nation.

Beyond the direct social and cultural impact of the Canadian magazine industry, there are sizeable indirect effects which contribute to the smooth functioning of the Canadian economy.

Unfortunately Canadian magazines are confronted with a series of unique challenges: massive penetration of the Canadian market by imported magazines; the relatively small size of the Canadian population and its dispersion over vast territory; the openness of Canadians to foreign cultural products; the effect of the cover prices of imported magazines on the Canadian price structure; and the impact of overflow advertising on the potential advertising market in Canada.

Even if the magazine industry has flourished culturally with over 1,300 titles, its financial position is fragile with overall pre-tax profits of less than 6 per cent of revenues of \$795 million in 1993-94.

The Canadian government has supported the domestic magazine industry and will continue to do so for many reasons. The principal reason is the importance that Canadians place on having a means of expressing their unique identity and the difficult and challenging environment the Canadian magazine industry faces.

The need for structural measures of support for the Canadian magazine industry has long been recognized by successive Canadian governments. Over the years a number of policy and program instruments have been designed and put into place to help ensure the development of the Canadian magazine industry while not restricting the sale of imported periodicals in Canada.

My friends across the way who speak to this issue are somehow misguided. We are doing much collectively to provide a dynamic and original culture which nurtures our national identity. Questions such as, what is culture, or do we have a single overarching cultural policy, may be good subjects for discussion. The truth is that cultural challenges in Canada have always been addressed by specific cultural policies put together by governments.

If we look at cultural policy goals pursued by consecutive or successive Canadian governments over more than half a century, their consistency is remarkable. Specific policy objectives developed by a succession of governments clearly reflected the reality of an original Canadian culture. Uppermost among these objectives is Canadian ownership and control of cultural enterprises, a made in Canada broadcasting system, the protection of sovereignty in the arts, cultural expression, the creation of an environment enabling cultural industries to sustain themselves and the recognition on the world stage of Canada's artistic and cultural accomplishments. Our global cultural policy was designed to promote the development of a diverse yet distinctive Canadian culture fostering mutual understanding, identity and quality of life.

• (1300)

Successive governments have recognized that Canada with its two official languages benefits from easy access to two of the greatest cultures in the world. The presence of our First Nations peoples and the diverse origins of our population have been justifiably looked upon as a fertile source of inspiration.

Canadian governments have also understood the influence of the United States on Canada's culture and identity. On one hand the fabric of our society can be enriched by our direct access to American cultural products and means of expression. On the other hand, this same access can weaken our ability to create and express ourselves in a distinctly Canadian fashion in our own country.

Canadian governments could see the evidence that Canadians do want Canadian cultural products and that Canadians are prepared to pay a price for them. Canadians also accept that government has a role in striking the right balance between supports to Canadian cultural development and access to other

Government Orders

cultures. In short, Canadian governments are involved in cultural policy because the public interest is at stake.

Perhaps more than anything else, Canadian culture is vulnerable. We said in the red book:

Culture is the very essence of national identity, the bedrock of national sovereignty and national pride—. At a time when globalization and the information and communications revolution are erasing national borders, Canada needs more than ever to commit itself to cultural development.

Canadian culture is also the substance and the reflection of who we are and what we form as a people. Our landscape is part of it; our tastes, our languages, our pastimes, the way we view the world, these all enter in. Our culture and our life as a nation are intertwined. As the reflection of who we are, our cultural expression becomes the aggregate of our voices and creative energies. For those reasons alone, Canada's cultural development and the quality of its cultural expression are worthy of government's attention.

My Reform friend said governments should stay out, but we know that Canadians are enthusiastic about the state of the arts in Canada and the involvement of all governments in that state of the arts. The quality and abundance of creative work and performance have never been higher. My friend noted that. Strength and certainty are now evident in the work of our writers, our artists, our performers. We celebrate their achievements as well as their commitment, a commitment after all to ourselves.

As a society we wish to reward our artists. They need not only our interest and attention, but also material conditions within which they can engage in their work and their art. In so doing, they can offer all of us a better chance to reach our own potential as a people and as individuals. I have many friends in the arts world and I know of individuals who are struggling to keep body and soul together and bread on the table.

Culture is a complex whole. It includes the knowledge, beliefs, art, morals, laws, customs and all other capabilities and habits acquired by the members of a society. Like other fundamental concepts, culture can only be understood by a familiarity with the realities it summarizes. It may be difficult to define American, French or Canadian culture, but the artistic products of those cultures, their books, magazines and films for example, can readily reflect and inform the cultures of which they are products.

• (1305)

Canadians are avid consumers of cultural products. After the Dutch, we are the second highest per capita purchasers of records and tapes in the world. We are also among the world's great film and movie goers.

Government Orders

Canadian culture flourishes in our major cities. It thrives in every hamlet and draws strength from every region. It comes from passion, talent, commitment and hard work. The wonder of Canadian culture in all its diversity is its ability to expand our horizons as individuals and to bring us together as human beings and as a society. Our culture, our Canadian, diverse, original culture, is part of our identity and greatness. We must stand on guard for it. It is the soul of our country.

Our bookstores, our news stands, our record shops, cinemas and television screens testify to Canada's position as one of the greatest importers of cultural products in the world. We enjoy our access to other cultures. However, we repeatedly ask ourselves whether there should not be a more normal balance between Canadian perspectives and those from elsewhere. This is the crux of the bill.

Together, our arts and cultural industries contribute over \$24 billion to the gross domestic product or 4 per cent of the GDP of the entire economy, and important for us, 660,000 jobs. This did not happen by accident. This did not happen, as our friend across the way would say, by letting the individuals do it. It was the result of a combination of the desire and determination of successive governments and the great talent which exists in our country.

The challenges facing the Canadian market for cultural content are growing increasingly complex every day. There can be little doubt that today's reality of fiscal restraint will continue to affect our future activities. Policy priorities change to take account of new challenges, world trends and windows of opportunity. The goals to be met by those priorities however should not change. The scene changes, the values do not.

This is important work, work which government has been doing successfully for years through such policy tools as public cultural institutions, support measures, and legislation and regulation. In fact, the development of legislative and regulatory measures has been particularly effective in promoting Canadian cultural sovereignty. Few measures have been more efficient than those dealing with Canadian content.

Canada has not been the only country to implement such legislative and regulatory measures. For example, specific restrictions are common for publishing, film and videos in countries like Argentina, Brazil, France, Mexico and Australia. Need I go on?

Venezuela has specific policies and requirements for newspapers and periodical publishing. In film and video, France, India, Indonesia, Mexico, the Philippines, Portugal, Spain and Switzerland maintain varying degrees of restrictions on inward investment. Mexico maintains limitations in film and video, broadcasting and periodical publishing. Brazil has grouped television, radio and the print media as one of the strategic industries to which it applies the same foreign investment restrictions.

We cannot go by a rule which says the one with the deepest pockets wins. As a market, Canada is one-tenth the size of the United States. The cost of producing a film or television program is the same in Canada as it is in the U.S. Our ability to recover those costs is one-tenth.

I must emphasize that it is never an issue of keeping other products out. That is not the intent of this bill. Canada is the most open country when it comes to enjoying the cultural products of other countries. The issue is ensuring the development and distribution of Canadian content and ensuring that Canadians know it is there and they have access to it.

• (1310)

The Canadian government has been consistent. Its magazine policy has not changed. I will say this for the information of the Reform members who spoke against this, with these amendments to the Excise Tax Act and the Income Tax Act, the federal government is modernizing its policy instruments. In this way, the entire range of government policy and program instruments can better achieve the overall objective of a vital and flourishing Canadian magazine industry.

Those in the industry are depending on those of us in this House to ensure that Bill C-103 gets swift passage.

[*Translation*]

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.

Some hon. members: On division.

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

* * *

[*English*]

DEPARTMENT OF HEALTH ACT

Hon. Diane Marleau (Minister of Health, Lib.) moved that Bill C-95, an act to establish the Department of Health and to amend and repeal certain acts, be read the second time and referred to a committee.

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I rise with great pleasure to speak in support of Bill C-95, a bill to create Canada's Department of Health.

I want to say a word about the referendum this week. Like many members of this House, I am pleased with the result, but I do not want to downplay the challenges that lie ahead of us. This government came into power with an agenda for change that it will implement appropriately to improve efficiencies and to create better bottom up management that recognizes the region-

al differences and specific needs of this vast country of ours. We remain committed to change, for Quebec and for all of Canada.

Since taking office, we have embarked on reforms to make the country work better, to eliminate duplication and top heavy administration and to ensure that services are delivered by the level of government that is most appropriate and best able to do the job. Let me talk about some of these changes.

We have signed agreements with nine provinces to reduce federal-provincial duplications. We have signed agreements with all provinces to end internal trade barriers in Canada and to promote efficient movement of goods and services across the country.

In keeping with our commitment to forge partnerships with all levels of government and the private sector, an unprecedented team Canada trade mission with nine premiers and many municipal leaders went to China. The team brought home more than \$8 billion in deals for Canadian businesses that benefited every province.

We have eliminated unnecessary boards and committees making government leaner. We have eliminated subsidies to businesses and other groups in order to make government relevant and less intrusive. We have turned over the management of many programs to local authorities, streamlining and removing duplication and inefficiencies. It is in keeping with this move toward efficiency and relevance that we introduced the legislation before us.

Bill C-95 is a milestone in the evolution of a health system that is the envy of countries around the world. Over more than two generations, Canadians from across this great country under the leadership of Liberal prime ministers and ministers of health have built Canada's health system with great care and courage, foresight and compassion. We are proud and honoured to carry the torch of their vision forward, unaltered, while at the same time responding to the need and the challenge for finding new ways to implement the goals.

• (1315)

The bill will change the name of the federal department to give it a more focused mandate. It will confirm and strengthen the *raison d'être* of the Department of Health, which is to promote and preserve the health of Canadians. It will reaffirm its mission of helping the people of Canada maintain and improve their health status. It will continue to fulfil these objectives through medicare and public health initiatives, through research and investigation, through education and awareness, and through the monitoring and investigation of food, drugs, devices and products that would compromise the safety of Canadians.

However the social assistance and income support programs of the government once contained within the Department of National Health and Welfare have been turned over to the Department of Human Resources Development, and for good

Government Orders

reason. As we move into the 21st century issues such as poverty, unemployment and social welfare have become inextricably linked with the notion of empowerment through creation of opportunity via skills, training and education, all aimed at developing the human resource potential.

Bill C-95 addresses the need for a clear and proactive focus on Canada's primary resource, its people, and on ensuring that their quality of life and health status are balanced, enhanced and improved. It allows us to concentrate on the broader spectrum of issues that affect the health of Canadians today, the challenge and enticements to come to terms with and to explore the complex new discoveries, drugs and technologies that spring up with such dizzying rapidity in the world of biomedical science.

These innovations have on the one hand presented us with exciting new opportunities for prevention, diagnosis and treatment of disease and alleviation of suffering and on the other hand raised conflicting issues of safety, cost effectiveness, ethics and evaluation of social values.

The act will allow our department to create a vision for the future and at the same time to renew and strengthen our commitment to co-operation, co-ordination and partnership with all Canadian jurisdictions, provinces, territories, organizations and communities. In keeping with this evolution, the bill brings about the change that is the promised mandate of the government.

There is more to renaming the Department of Health than a mere change of name. There is a clarification of focus and an opportunity to formulate a new vision of the future that will improve greatly the health status of Canadians and make innovations that will enhance and strengthen what is already one of the best national health care systems in the world.

This is no more clearly spelled out than in the portion of the act that declares the health aspects of social well-being are the responsibility of the Department of Health. We all know that social well-being is multifactorial in its linkages and that it concerns in an interlocking manner the policy makers of every government department and every minister. Social well-being is interrelated with the economy, with justice, with employment, with poverty or wealth, with cultural and spiritual issues, with gender and ethnicity, and with the environment. The new health definition is more than just the absence of disease. It has to do with the quality of the individual's life and ability to cope with disability.

In the case of Health Canada this responsibility, which has always been implicit in its mandate, is now being explicitly acknowledged. The context of the words in the bill make it clear that the department's scope to exercise this broad definition of health is confined to matters over which the health minister has jurisdiction. It obviously does not give the Minister of Health the mandate to infringe on other ministers' responsibilities. By using the specific words in the bill, Canada has declared its commitment to the definition of health used by the World Health Organization which says that there is more to health than health

Government Orders

care. It says that health means much more than the absence of disease.

Health is the complete state of physical, mental, spiritual and social well-being. This is what the new department aspires to for every Canadian. Its renewed commitment to a long and glorious tradition has inspired Liberal governments, politicians of every party and Canadian people over many years, indeed over many decades.

• (1320)

Many eminent Canadians have been intimately associated with the growth of Canada's health system: the hon. Judy LaMarsh, the hon. Paul Martin, Senior, Mr. Justice Emmett Hall, the hon. Marc Lalonde, the hon. Monique Bégin and the late hon. Tommy Douglas. I mention only a few. We can see how the vision of health has known no political boundaries in the past. Though members of the third party as we well know have tried to challenge it in the present, we can trace the evolution of the commitment to social well-being through the contributions of each of these people.

In particular it was foreshadowed just over 10 years ago when Parliament debated and unanimously passed the Canada Health Act under the direction of the hon. Monique Bégin, the federal Liberal Minister of Health at the time. This major milestone, the Canada Health Act, contained a preamble that called for an assault on the social, environmental and occupational causes of disease. The idea that shaped that statement was a growing awareness of the importance of nutrition, stress management, physical fitness, safety in the workplace and the environment generally. These concepts deal with health, not sickness. These are concepts the hon. Marc Lalonde, another federal Liberal Minister of Health, created and championed. This definition has since been taken up by many other countries of the world and is now considered indisputable fact.

These concepts of health deal with prevention and promotion, not only cure, as the strategy for achieving health. It is a strategy that speaks of long term planning, not only reactivity. It represents the real health care revolution in the country.

Inherent in Bill C-59 most emphatically the concentrated focus on health statement does not mean that our vision of the future of health is intrusive or limiting. Clause 12 of the bill like the act it replaces makes it clear that nothing in the act gives the Minister of Health or any Health Canada official authority to exercise any jurisdiction or control over any provincial health authority. As I have just related in detail, it certainly defines health in its newest and broadest terms.

The bill confirms and strengthens the national interest of the federal government in health and answers those who would Balkanize health care. We know that health care is primarily local in nature. People who become sick are generally treated

close to home by their own medical practitioners. If necessary, they are taken to hospitals in or near their town or city. It is well accepted colloquially and constitutionally that the managerial and administrative aspects of Canada's health system fall under the jurisdiction of the provinces.

Canada's intrinsic values, beliefs and ideals are not local in nature. They define who we are as a people and what we stand for. These values and beliefs are reflected in the principles of the Canada Health Act.

While the federal government's financial contributions to the provinces and territories subsidize a substantial share of the cost of health care, the role and contribution of the Government of Canada in the area of health extend well beyond its funding responsibilities.

The work of the Department of Health touches the life of every Canadian every day. It monitors the safety of the foods we eat, the medication we take, the consumer products we buy for our families. In effect it is the watchdog of consumer safety. Health Canada identifies the health risks we should avoid and undertakes the research programs that improve the health of children, women, seniors and all other segments of society. It is a machine of proactive care.

The protection aspects of health care begin long before health interventions for the sick. It extends more broadly than mere treatment of illness. It is in the national interest that systemic examination of disease trends and health risks be in a single accessible place where public health intelligence from within Canada and around the world can be assembled and evaluated and that there be a centre where population health strategies can develop and where national health status benchmarks can be set.

To this end the laboratory centre for disease control located in the department is dedicated to programs preventing, controlling and reducing the impact of chronic and communicable diseases in Canada.

• (1325)

There is a national interest in working with other countries to combat and control health threats that know no borders. The Government of Canada supports international collaboration against the common threat of disease. It is in the national interest that research into the causes and treatments of disease be carried out.

The federal government spends many hundreds of millions of dollars a year on health research. The results of research are available to all provinces, all hospitals and all doctors throughout Canada. The outcome of research benefits all Canadians. It saves the lives of all Canadians. Health Canada's role as co-ordinator, database gatherer and clearinghouse is clearly invaluable.

Government Orders

It is in the national interest that drugs and medical devices be evaluated to ensure that regardless of where they are purchased and used they are safe for public use and they do what the manufacturers claim they do. The Department of Health analyses pharmaceuticals that are submitted by manufacturers and certifies their effectiveness and safety. The Department of Health works to assure Canadians that their food supply is safe, nutritious and of high quality. It is in the national interest that the Department of Health does these things. It is also in the national interest that standards are set and enforced so that Canadians can be ensured of comparable health care services no matter what province they reside in or visit.

It has been well documented by many surveys that Canadians want a national vision for health and social well-being. Poll after poll has found that the health care system is in first place as one of the things that binds Canadians together. They see it as a defining aspect of Canadian values.

The latest Canada Health monitor findings show that 89 per cent of Canadians support the principles of the Canada Health Act. The third party across the way that seeks to trample on those principles should get in touch with the people of Canada.

Health Canada has a clear role to play in public awareness and education on health issues as well as a responsibility to protect those who are disadvantaged. The government is proud of the measures it has taken on behalf of groups with special needs whose health status is more compromised such as First Nations persons, children, seniors and other disadvantaged groups. At the same time, because the health status of First Nations people requires concentrated ongoing efforts we have expanded and enhanced health programs for First Nations and Inuit people.

For instance, last year the Minister of Health announced the building healthy communities strategy. In consultation with First Nations and Inuit leaders we will implement the strategy to strengthen efforts in three critical areas: solvent abuse, mental health and home care nursing.

We are well aware that health programs designed and delivered within First Nations communities are often more successful than those delivered by outside agencies. I have proof of this not only from my own experience as a physician working with aboriginal communities to improve their health but more recently as I travelled with the Standing Committee on Health across Canada visiting native communities and seeing firsthand what worked and what did not work.

We are working with the First Nations to increase control over their own resources. We have helped many bands to move through the transition that will eventually culminate in full control of management and administrative powers that will enable self-government.

It would take too much time to tell the House of all the initiatives now under way to empower Canadians who are least able to help themselves, those disadvantaged by need or by neglect. However with the indulgence of the House I will mention only a few. An example is our seniors. We currently support research into alternatives for care that promote independence and allow the elderly to stay in their homes, close to friends, family and familiar surrounding. We do this by funding groups that provide community programs for seniors. This is what we mean by health status encompassing quality of life objectives.

For our children Health Canada is a key player in a network of government programs designed to improve the life chances for children at risk. The clear understanding is that the future of children depends on critical inputs during the first years of life. The federal government administers a number of programs for Canadian children and their families to help improve access to the best opportunities for health and development. The department directly supports a wide range of strategic programs targeted at children at risk of abuse or injury, social or physical disease.

● (1330)

What about women? For too long, women have taken second place on the health agenda. Our government has taken dramatic steps to correct this grave inequity. We have given strong support to the Canadian breast cancer research initiative. We have introduced gender specific elements into health promotion programs such as Canada's drug strategy and the tobacco reduction demand strategy, working with community groups to ensure that women get help at the local level.

Statistics Canada showed that the prenatal death rate in this country climbed in 1993. As a physician, I know that good nutrition in pregnancy is a key factor in decreasing the rate of low birth weight babies, who are at highest risk for chronic disease and disability. Health Canada's prenatal nutrition program for low income and other at risk mothers was a red book response to this tragic occurrence. I am proud to say that this simple and effective program would benefit many at risk babies in the future.

The hon. members of the third party with tunnel vision may rest assured that spending on these health programs does not fly in the face of the debt reduction priority of this government. Each dollar that goes to prevent ill health saves tens and hundreds of dollars in health care and treatment costs.

I turn now to the specifics of the bill before the House. As I have said, essentially it renames the department to conform to its new singular focus on health. Hon. members will find that most of what is in the bill carries over from the previous legislation. There are a few new items included in order to clarify the mandate of the department and to extend its abilities

Government Orders

to discharge its mandate. I will deal with some of these very briefly.

The bill defines the minister's powers in clause 4 as the promotion and preservation of the physical, mental, and social well-being of the people of Canada. Hon. members will understand the meaning of social well-being in light of my earlier comments in the context of this bill. We are concerned solely with the health aspect of social well-being, because health is more than just health care. It involves the total environment in which the organism lives and develops, in which human babies are born, youth develops, and seniors find quality of life. Health is based in the social order of the community.

We speak then of the social well-being of Canadians in the same breath as we speak of their physical, mental and spiritual well-being. Not only does this wording reflect the reality of human existence, it echoes the wording and usage of the World Health Organization of the United Nations.

A subclause of this section confirms the department's responsibility for the safety of consumer products and workplace equipment, which is a transfer from the former Department of Consumer and Corporate Affairs.

By virtue of clause 5, Health Canada officials will gain the same powers to inspect possible disease carrying agents entering the country as they now have to enforce the Food and Drug Act.

Clause 6 authorizes the minister, under the supervision of Treasury Board, to recover the cost of services provided to business. I hasten to explain to the third party that for medically necessary care this does not apply to user fees and they should never confuse it. Members know that we remain unalterably opposed in this government to any user fees.

What we really refer to under cost recovery is the cost recovery of charges to businesses for the cost of government services that have commercial value, such as evaluation of drugs, devices, pesticides, et cetera, which we all agree taxpayers should not subsidize.

I would like to reassure hon. members and the Canadian public of one overriding truth, the clear mandate and mission of Health Canada. Our mission will continue to be to help the people of Canada maintain and improve their health. We will continue to enforce the Canada Health Act so that all Canadians will have universal access to a comprehensive range of medical-quality necessary health services. Our objective as a Liberal government has historically been to ensure that the health care system remains accessible to Canadians when they need it.

• (1335)

In this vein, hon. members are aware that the Minister of Health has given the provinces until October 15 to disallow user charges for medically necessary services in private clinics or experience reductions in transfer payments. The message is clear and simple: we will do what is required to stop user charges in their tracks, to push them back wherever they have crept forward, and to prevent the development of a two tiered system of health care, a system which contradicts every one of the five principles of medicare, to which Canadians have stated full commitment.

We do not oppose the use of private clinics. They can be a creative, cost effective way to deliver services, and they can do so without contravening the Canada Health Act if they are set with clear, well defined criteria.

We are committed to consulting openly and thoroughly with our provincial colleagues. We have shown our commitment to working with them to resolve outstanding issues and renew their health care system—indeed as they must—in a way that preserves and respects the underlying principles and values of the Canada Health Act. However, the bottom line remains fixed: no Canadian will suffer financial hardship because of illness in this country. This principle has not changed since Emmett Hall's report and since Liberal Prime Minister Lester Pearson enacted medicare. It will not change in the future as long as there is a Liberal government in Canada.

We will continue our wide range of activities aimed at preventing disease and promoting health. We know this is the best investment in the health status of Canadians that we can possibly make.

We know that 60 per cent of disease is preventable. We know that early screening, public information and awareness, research, and healthy public policy can make a remarkable difference to the lives of Canadians, even in diseases where there is no known cure. We have instituted a breast cancer information exchange. We have implemented strategies to reduce tobacco use, to counter family violence, and we have introduced a prenatal nutrition program to improve prospects for newborns at identifiable risk. We have announced an aboriginal health head start program to address the needs of aboriginal children living in urban centres and large northern communities. We have embraced the axiom that good health is the result of proper exercise and diet. My department provides guidelines on nutrition and financial support for physical fitness and active living.

Nobody wants to spend more money than is necessary on health. We want to get the maximum value from every dollar. The road to this objective passes through the prevention of illness and the promotion of health through the development and support of healthy communities.

Dr. Brock Chisholm, former deputy minister in Canada and first director general of the World Health Organization, once recast the age-old saying that an ounce of prevention is worth a pound of cure. Dr. Chisholm said "You can only cure retail, but you can prevent wholesale". We subscribe to that.

The new Department of Health will continue all the essential work that has helped Canada reach and maintain its place on top of the world rankings in health. However, as I said at the outset, we intend to do far more than maintain hallowed traditions. We intend to be a dynamic player in a world filled with new challenges and innovative and creative opportunities for health and health care.

We will be open to exciting visions of the future that take full account of the discontinuities and uncertainties of fast changing times. We look to the national forum on health to help develop this new vision for Canada's health system in the 21st century. We believe the forum is an appropriate vehicle, one that respects the rights of Canadians to be consulted on this matter of primary importance. It brings expert opinion from many areas to bear. It promotes dialogue with all segments of the public. It respects the established and effective conference of federal-provincial health ministers. The personal involvement of the Prime Minister as its chair reflects the importance this government assigns to its deliberations.

The national forum on health, which will maintain a dialogue with Canadians, is a unique and important milestone in the evolution of Canada's health care system. It also makes good on a promise the Liberal Party made when it sought and received the support of Canadians in the last election, a promise to strengthen partnerships, to open doors to public input. The forum would bring in for the first time in a meaningful and practical way the third player on the health care team, the consumer.

I point out to hon. members that significant progress has been made on the health commitments of the red book. Consider the forum, aboriginal head start, prenatal nutrition, centres of excellence for women's health, and on and on. Health is everybody's business. It is an investment in the Canadian economy. Health is an economic resource. Healthy people work, play, and are active consumers.

• (1340)

Studies done by many economic think tanks have shown the loss to the economy through illness. It is important to understand that Canada's financial commitment to health care provides considerable value for every dollar spent.

In 1972, when our health insurance system was completed, Canada and the United States were spending approximately the same level of gross domestic product on health, at 8.4 per cent of gross domestic product. Since then we have done a far better job of controlling spending. Last year Americans spent more than

Government Orders

14 per cent of GDP on health, with 35 million citizens still uninsured, while we spent about 9.7 per cent of gross domestic product on a universal, comprehensive system where every Canadian has full access, regardless of income level. This translates to \$30 billion a year in savings on health compared with the U.S. spending levels.

What about outcomes? OECD and WHO statistics show that Canada ranks in the top three and sometimes is second in health outcomes, while the United States still ranks between 15 and 17. I say to the third party that more money does not mean better care.

Who gains from these savings? Canadian employers. Who has high overhead costs to insure their employees against basic health risks? Not Canadian businesses. We are among the big winners. In fact major American companies have admitted that this is one important reason to invest in Canada. Moreover, Canada's labour market is more flexible and more mobile because problems with health insurance do not deter workers from changing jobs.

This Canadian health dividend is not simply in the delivery of health care services. It is sometimes unfairly alleged that medicare is bureaucratic and eats up funds in administration and red tape. The truth is quite the opposite. Health care administration costs about \$272 per person in Canada. In the United States it is about 250 per cent higher, at \$615 U.S. per person.

Public administration, as one of the five principles of health care, works. We only spend about 5 per cent of our health care dollars on administration. The United States spends 25 per cent. It was once decided by the United States Department of General Accounting that if that 25 per cent spent on administration in the United States were put into health care services, the 35 million Americans who are not insured would be insured.

We are committed to managing effectively and prudently in difficult financial times. There are many management strategies in health care that are innovative, save dollars, and still ensure quality, such as evidence based care, appropriate acute care, community care, and assessment of technologies. But this all means working in close co-operation with provinces and territories. This government has taken great care to avoid duplication of programs and services. If the provinces can administer a program better, and in many cases they can, we let them do it. Our aim is to co-operate and be flexible with the provinces in ways that ensure there is no wasteful overlap. We consult widely within the field and among all Canadians before we act.

I have spoken about the record of the health department that has been its history and portends well for its future. It has been the instrument for promoting high quality health care and improved health status for Canadians at reasonable cost. It has earned and maintained an international reputation for its efforts on health promotion and disease prevention.

Government Orders

I am therefore proud to sponsor this bill to create Canada's new Department of Health. I urge all hon. members of the House to afford it swift passage through Parliament.

[*Translation*]

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, it is a pleasure to rise today to speak for 40 minutes to Bill C-95, an act to establish the Department of Health and to amend and repeal certain acts.

In fact, the purpose of this bill is to shorten the name of the Department of Health and Welfare to Department of Health. Yet, in reading Bill C-95, we realize that some sections have been amended, repealed or added so that the government can, under the pretence of providing good government, give the Minister of Health the legitimate power to interfere once again in areas of exclusive provincial jurisdiction. We are faced, once again, with this overwhelming desire to centralize everything.

● (1345)

Since I like setting the record straight, I will give you a short history lesson.

As the type of political system that would prevail in the future Canadian union was being defined in 1867, it was easy to see the emergence of two opposite views of federal-provincial relations. On one side, John Macdonald wanted a strong central government that could devolve certain powers to the provinces as it saw fit. On the other side, Cartier definitely favoured a highly decentralized confederation. In French dictionaries, confederation is defined as the union of several sovereign states.

We know only too well what this led to. Powers were indeed distributed between the two levels of government, so that each would have exclusive jurisdiction over their own areas of responsibility.

But things are never as clear cut as they seem with the federal government. The government kept in its hand what it considered as a trump card, which proved to be harmful to federal-provincial relations: the power to spend and to make laws for the peace, order and good government of Canada.

This way, the federal government could still do as it pleased in any provincial area of responsibility, without paying attention to the distribution of powers guaranteed by the constitution. And this was definitely planned and hoped for. This is confirmed by Alexander Galt, one of the fathers of confederation, who stated that the distribution of powers, as described in the British North American Act of 1867, did not provide the provinces with enough funding to properly look after the areas falling under their jurisdiction. This means that the very document that gave rise to a new Canadian union provided that the provinces would not have sufficient funding and that the federal government should step in to compensate the members of this union.

Unable to have a highly centralized federal system from day one, John Macdonald made sure that its power to encroach would enable it to intervene in any jurisdiction it pleased and to impose its views on the provinces, even with respect to exclusive provincial jurisdictions.

It may be difficult for some to recognize that this is what those who drafted the British North America Act had in mind. It may be difficult for them to believe that what they like to refer to, wrongly I must say, as the most decentralized system in the world, already provided, in its embryonic state, for increasing centralization of power in favour of Ottawa.

Yet, the comments made by Alexander Galt, whom I quoted earlier, leave no doubt as to those initial intentions, and nor do the remarks made by another architect of the Act of 1867, who said that, in the long run, the provinces would become nothing more than large municipalities under the control of the federal government, on which they would greatly depend. We were not there at the time to see what was going on, but these people were, and they even wrote about it.

This is how the structure in which we still live, unfortunately, was developed and set up. I made reference to our history at the very beginning of my speech to show that, to this day, and contrary to what many would like us to believe, nothing has changed. This centralizing vision which gives greater power to the federal government is not mentioned in the speeches of today's key players on the federal scene, but it is obvious in their actions. The best example is certainly the health sector in general, where the federal government has been interfering constantly and increasingly for decades. Bill C-95, which is now before us, is evidence of that.

Section 92.16 of the Constitution Act gives provinces jurisdiction over health related issues on their territory, by generally providing for all matters of a purely local or private nature within a province. Moreover, sections 92.7, 92.13 and 92.16 of the same act also give the provinces jurisdiction over hospitals, the medical profession and practice, as well as health related laws in general, on their territory.

● (1350)

We can say that this is an area of provincial jurisdiction since it involves ownership and civil rights.

In the light of what I just said, it is obvious that health care is an area which should come under provincial rather than federal jurisdiction. However, the federal government has been interfering in this area, in various ways, for many years now.

The Hospital Insurance and Diagnostic Services Act, the Medical Care Act and, more recently, the famous Canada Health Act, which combines both previous acts and crystallizes so-called national standards, show how the federal government deals with areas of shared jurisdiction. Its initiatives aimed at

increasing the federal presence in these areas of exclusive provincial jurisdiction are being justified by its spending power, which creates problems not only in the health care area, but I will not have enough time to list the many disputes it has caused, others will do it for me, I am sure.

For my part, I will paint a picture showing what happens when a government is unwilling to admit that it cannot afford to do and decide everything on behalf of the provinces. This picture has, as a backdrop, the acute crisis the health care system is going through in Canada and Quebec.

The federal government's temptation or desire to interfere in the health care area is not new. In fact, right after the second world war the federal government took over all major fields of taxation to make sure it would receive almost all the taxes normally levied by the provinces.

At the end of the war, the government got a bright idea: instead of giving the taxing powers back to the provinces, it would redistribute the money through grants conditional on standards set by the federal government. That was an ingenious way to encroach even further upon areas not within the federal jurisdiction, at a time when the London Privy Council, the equivalent in those days of our Supreme Court, wanted to restrain the federal government's tendency to centralize. In the health area, the Established Programs Financing Act is a good example of what I said earlier: this government refuses to accept that it cannot do everything and be everywhere.

Created in 1977, the EPF program has kept the same structure ever since. However, the growth rate has not been as expected over the last ten years. That is what brought about the shortfall, as we call it, for the provinces and Quebec in the health area. In 1986, the federal government reduced the growth rate of transfers by 2 per cent. It was the beginning of a long series of payment cuts: in 1989, the indexing factor was again reduced by 1 per cent; in 1990, Bill C-69 froze transfers to the 1989-90 level for two years supposedly; in 1991, the government announced that the freeze would be maintained for three more years. During most of that blighted period for the health care system, the opposition cried its outrage. It said loud and clear that this process could only push the system to its own ruin.

But the same party, now in government, is weakening the system even further. Between 1977 and 1994, the federal contribution to health went from 45.9 per cent to 33.7 per cent, a drop of 10.6 per cent which Quebec and the provinces have had to absorb as best they could. Unfortunately, the mismanagement condemned not so long ago by the Minister of Labour and the Deputy Prime Minister seems to still be with us.

My predictions for 1997-98 are that the federal contribution will slide as low as 28.5 per cent of funding. Over the years, as

S. O. 31

Ottawa disengaged itself from health funding, Quebec alone was left \$8 billion short. Eight billion dollars which the Government of Quebec had to scramble to find elsewhere. To that figure can be added the projected cuts in the Canada social transfer of \$308 million in 1995-96 and more than \$587 million in 1997-98.

• (1355)

The leeway that was to be afforded by the Canada social transfer is in reality merely the opportunity for Quebec and the provinces to make their own choices as to where they would make the cuts to absorb this unilateral disengagement. This is how the present Liberal government sees decentralization. This is what it means by flexible federalism. No thanks, we are not interested.

As I have already said, articles 92.7 and 16 of the British North America Act allocate health and social services exclusively to the provinces. There is, however, also a federal health department.

Next year, the federal Department of Health will cost the taxpayers in excess of one billion dollars, a billion dollars wasted doing what the governments of Quebec and the provinces could very well do themselves.

Moreover, this superfluous department allocates sizeable amounts for programs and projects already in existence in Quebec. Let me give you some examples of these, Mr. Speaker: the strategy for the integration of persons with disabilities, the campaign against family violence, the new horizons program, the seniors secretariat, the tobacco strategy, the drug strategy, the AIDS strategy, the program on pregnancy and child development, the children's bureau—I could go on and on.

The federal cuts should have been in these areas of duplication, but it insists on having a finger in every pie, and the disastrous effect on public finances does not seem to be enough to convince it to accept reality.

The Speaker: I must interrupt. You will have the floor again after question period. It being two o'clock, the House will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

VANCOUVER GRIZZLIES

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, today the Vancouver Grizzlies basketball team will play its inaugural game in the National Basketball Association in Portland, Oregon. Arthur Griffiths and general manager Stu Jackson will undoubtedly lead our new Vancouver basketball team to many victories.

S. O. 31

There is a lot of anticipation in Vancouver. The Grizzlies will be playing in the state of the art GM Place stadium which will give to the team an advantage over the rest of the teams in the league. The fans will not be disappointed because they will be treated to one of the most exciting and popular sports in the world.

Canadians should be proud that they have two teams in the NBA they can call their own. We have to build on the success of what Canadian Dr. James Naismith started. The Vancouver Grizzlies and the Toronto Raptors will do us proud.

I would also like to take this opportunity to wish to the Vancouver Canucks good luck and success in their new season. The Canucks will also be playing in the GM arena under general manager Pat Quinn who assembled a talented and skilled team.

To the Vancouver Grizzlies and the Vancouver Canucks, bonne chance.

* * *

CANADIAN UNITY

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, surely this government finally gets the message that millions of Canadians want change.

Today, Canada's borders may be intact but the unity of the Canadian people is not. Canadians are divided into at least three groups. One group, unhappy with today's way of life, wants to leave. Another group wants to stay but leave our way of life as is, the status quo. The third group wants to stay and make the necessary changes to improve the Canadian way of life.

The group advocating the status quo by that very fact created the existence of the other two groups. The status quo is not effective and must now go into our history books. The group advocating separation has been denied.

To avoid this reoccurring, this government must show leadership and make the necessary changes. I invite the government to make use of the new Confederation plan put forward by Reform. Copies are available upon request, in plain brown envelopes if desired.

* * *

BILL C-101

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, Bill C-101 is about much more than the restructuring of the rail system in western Canada. In reality and especially in response to the loss of the Crow benefit, the legislation shifts the balance of power unfairly to the ultimate benefit of the railways.

I ask the House not to forget that there are captive shippers out there whose entire economy will be affected by the outcome of this bill. More than 60,000 farmers in Saskatchewan have a

direct interest in the outcome of this bill. These farmers now pay the entire cost of the shipping themselves. They are at the bottom of the chain so to speak and cannot pass increased shipping costs on to anyone else.

It is important to these producers to have quality railways and quality, affordable rail services. It is also important to Canada to have a successful farm sector because without these producers and shippers the western economy will not grow.

Once again it seems that the Liberals are more concerned about corporate profits than they are about the livelihoods of thousands of prairie farmers.

* * *

REFUGEES

Mr. Stan Dromisky (Thunder Bay—Atikokan, Lib.): Mr. Speaker, since the founding of the United Nations the plight of unwanted displaced peoples has occupied a central role in the affairs of the United Nations High Commissioner for Refugees.

Since its creation in 1950 this organization has provided temporary protection to millions of people displaced from their homes by war, famine or political persecution. Canada has worked with, supported and financed United Nations efforts to ensure that people displaced and who are living in fear of persecution are protected and resettled.

Refugees are a fundamental fact of the world in which we live. Our challenge is not just to provide protection but to work with the United Nations in peace building and creating the conditions for safe repatriation of refugees to their countries of origin. Canadians can rest assured that the government will continue to nurture the excellent working relationship that it has with the Office of the United Nations High Commissioner for Refugees.

* * *

BUTTERFLY RESERVES

Mr. Gar Knutson (Elgin—Norfolk, Lib.): Mr. Speaker, I am pleased to address the House today on a significant event that is taking place in my riding.

The Long Point national wildlife area, Point Pelee National Park and Prince Edward Point national wildlife area have all been officially dedicated as Monarch Butterfly Reserves. As part of the Canada-Mexico environmental co-operation program this dedication adds to the already recognized environmental initiatives that Long Point is involved in.

Long Point is a special place and is home to a diverse variety of wildlife. Long Point is already recognized as a biosphere reserve and Ramsar site. The combination of public and private lands that make up this fragile piece of landscape together produce one of the most unique and sensitive ecosystems in Canada today. Long Point is one of three locations where the

Monarch butterfly concentrates before its long journey to its wintering grounds in Mexico. [English]

Most of us recognize the Monarch as a special butterfly and by ensuring the future health and well-being of this insect Elgin—Norfolk and all Canadians can take pride in being part of this important environmental initiative.

I commend the Long Point Bird Observatory and the Norfolk field naturalists.

* * *

QUEBEC REFERENDUM

Mr. John Maloney (Erie, Lib.): Mr. Speaker, Canada has once again shown world leadership. We have conducted a civilized debate on the most serious subject a nation can face: its own existence.

Where other countries have resorted to armed violence and devastation to impose change, we have conducted a spirited but peaceful campaign with the ultimate decision being made at the ballot box. Let us all accept the decision made by the people of Quebec with tolerance, openness and mutual respect. Let us promptly respond to the need for change to our Confederation fairly and equitably for all provinces and territories.

Let us work out our differences in the spirit of co-operation and reasonable compromise. That is our trademark; that is the Canadian way. Let us enter a new chapter of our illustrious history and again face the world with confidence and pride. O Canada, we all truly stand on guard for thee.

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[Translation]

NEW BRUNSWICK PREMIER

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, the behaviour of New Brunswick Premier Frank McKenna, who is courting Quebec businesses to bring them to his province, is utterly disgraceful. While begging Quebecers to vote no in the referendum and asking them, once again, to believe in Canadian federalism, Mr. McKenna was secretly working to take away their jobs.

What a great demonstration of love for the people of Quebec from the Premier of New Brunswick. This is the man who, when Quebec was in a weak position and making minimal demands, was the first one to stab it in the back by repudiating the Meech Lake accord.

The next time Quebecers have to make a decision on their future, they will not be fooled by the real intentions and hypocritical attitudes of people such as Mr. McKenna.

S. O. 31

ALBERTA

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, the Alberta government recently announced its own referendum on the future of Albertans.

The vote is about freedom for Albertans. The vote is about the devolution of power from the federal government to the province and the people. The vote is about the very right of Albertans to conduct business the way they choose in the future.

● (1405)

In a country where people would respect the results of a referendum which would allow one province to leave Confederation, surely the government and the minister of agriculture will respect the results of a plebiscite to give farmers a choice on how to market their grain.

Between November 14 and 24, Alberta's 50,000 wheat and barley farmers will have their say. The choice is between a continued wheat board monopoly on buying wheat and barley or the right to sell through the board or directly to any customer.

For Alberta farmers now is their chance. They should let their voice be heard, get out and vote.

* * *

QUEBEC REFERENDUM

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, the recent Quebec referendum was like the proverbial Chinese two-sided coin. It created on the one side a feeling of deep anxiety and on the other it awakened a sense of national pride in all Canadians.

Even though the margin of victory was narrow, in the end we were all winners. It is better to work for change together within a united country than to negotiate bitterly as separate nations.

Quebecers showed faith in Canada by voting no. British Columbians rekindled their national pride and francophones in B.C. feel secure again in their heritage. It is time for the healing to begin.

The strength of our country, which is its respect for differences, must lead us forward together in a spirit of understanding and compromise.

Canada has set out to prove that a diverse and multicultural people with linguistic duality and varied heritage can live together in peace and tolerance.

The world looks to us for inspiration and hope. Flawed though it is, Canada is still the best country in the world in which to live.

S. O. 31

[Translation]

LEADER OF THE BLOC QUEBECOIS

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, the leader of the Bloc Québécois showed unprecedented contempt for democracy in a statement he made the day before yesterday as he was leaving the House.

He said, and I quote: “Never again will sovereignists beg the rest of Canada for anything. Never again will we negotiate on unequal terms”. The Bloc leader must set his personal frustrations aside and accept the outcome of Monday’s referendum.

Quebecers have rejected the option of Quebec separation. As a federal member of Parliament representing a Quebec riding, the Bloc leader must acknowledge Quebecers’ wishes. Separation has been rejected. Let us now work on bringing about the changes that Quebecers want within Canada.

* * *

RIDING OF SAINT-MAURICE

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, the Prime Minister’s own riding, the riding of Saint-Maurice, voted yes in the referendum. This was a strong yes, with 56 per cent of the voters saying yes, or 9 per cent more than in the 1980 referendum.

The people of his own riding sent the message to the Prime Minister that his vision of Quebec was not the right one. The yes vote in the riding of Saint-Maurice means that people want more than just the meaningless cosmetic changes proposed by the Prime Minister. The yes vote in the riding of Saint-Maurice very clearly shows that the people of Shawinigan want a country, a very different country from the one that the hon. member for Saint-Maurice is trying to sell them.

* * *

PARTI QUEBECOIS LEADER

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, the leader of the Parti Québécois has announced that he will be leaving the political arena. This announcement comes on the heels of one of the most incredible statements of intolerance ever made by the leader of a political party in the history of Quebec.

Some separatist strategists are already busy trying to convince us that, with their leader gone, any trace of racism or xenophobia that may have existed in the ranks of Quebec separatists will now disappear. Let us not forget that the PQ leader was not the only one to make this kind of racist comments.

Many of his associates have also indulged in this kind of discriminatory remarks, but have not yet resigned. What are they waiting for?

Only by respecting the verdict of the majority and finally getting down to the real problems will the separatists convince the people of Quebec that they really represent all of them.

* * *

[English]

QUEBEC REFERENDUM

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, remarks by the Prime Minister and Deputy Prime Minister reveal their contempt for the principles of fairness and unity.

While the Reform Party leader advanced a vision of Canada with Quebec, it was the Prime Minister who proved to be the most destructive force in the “neverendum” referendum.

Last night the Prime Minister compared the slim no vote victory to a hockey game where one team wins by a goal. The coach should be fired. This team went into the third period with a nine-point lead and almost blew it.

• (1410)

The Deputy Prime Minister praised the Liberal do nothing campaign in Quebec and the efforts of their Mulroney soul mate from Sherbrooke. She also attacked her opponents as being vultures. In fact the only vultures that will be seen will be those across the way, hovering over the discredited leader of the Liberal Party as they look to replace him.

Still, this type of Liberal Party tactic does not surprise Canadians because, as they know, if it looks like a rat, if it walks like a rat and if it squeals like a rat, it is a member of the Liberal rat pack.

* * *

[Translation]

PRIME MINISTER OF CANADA

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, last night in Toronto, the Prime Minister of Canada delivered an important speech in front of a large audience of business people.

Not only did he highlight our government’s main achievements and reiterate our commitment to our red book promises, but he also raised the issue of national unity. In his first major speech outside Quebec since the referendum, he urged all Canadians to join forces in bringing about the changes that are so anxiously awaited from coast to coast.

The message delivered by our Prime Minister is one of stability, reconciliation and optimism. I am pleased to associate myself with what my leader said and I can assure the people of Canada that we are fully committed to making this country a symbol of unity and of prosperity.

*Oral Questions***PRIME MINISTER OF CANADA**

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, over the last few days, the Prime Minister once again showed his true colours. The architect of the unilateral patriation of the constitution in 1982 has once again decided to put Quebec in its place. Indeed, after stating that he would not abide by Quebecers' decision if they voted yes, the Prime Minister is now saying that he will muzzle them by keeping them from holding another referendum.

The Prime Minister said that he would not hesitate to use every power available to keep Quebecers from exercising that legitimate right again. Nothing has changed. The uncompromising and centralizing federalism of Pierre Elliott Trudeau is still very much alive in the Prime Minister's mind.

As far as he is concerned, Quebec is a province like any other, and it must stay that way. Just forty-eight hours after Monday's referendum, Canada is in a catch 22 situation since federalism remains impervious to any real change, while Quebecers are not interested in the status quo.

* * *

[English]

NATIONAL UNITY

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, there are rare occasions in the history of a nation when fate opens a window of opportunity that can change the course of a country forever. Such an opportunity now exists.

The referendum process and subsequent results show Quebec to be a province that is deeply divided and have highlighted the intense desire for all provinces to deal with the problems that affect us all.

We must seize the opportunity now to move ahead to decentralize federal powers. The people must also be allowed to choose their representatives in the Senate and in the Supreme Court. However, let there be no mistake. These changes must occur for all provinces because when preferential treatment is afforded to one province over another it only creates divisions and resentment.

We must move ahead. The time now is for leadership. We must not look back in history and use past history to justify breaking the country apart. We must move ahead and heal the wounds that exist in the country today to bring all Canadians together in a strong and united Canada forever.

[Translation]

TRIBUTE TO QUEBEC PREMIER

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, I want to pay tribute to Mr. Jacques Parizeau who, two days ago, resigned and announced his intention to retire from political life.

Notwithstanding our conflicting views on Quebec's future, the fact is that Mr. Parizeau has played an extremely important role in the building of a modern province.

He was an economic advisor to several premiers. He helped set up the Quebec deposit and investment fund. He provided advice to the government of Mr. Lesage on the government's takeover of the hydro sector. He was a key player in the quiet revolution.

Mr. Parizeau was also a man of conviction who worked hard to achieve his objective. I want to express my deep respect to Mr. Parizeau and to his wife, Lisette Lapointe, as they begin another stage of their lives.

ORAL QUESTION PERIOD

• (1415)

[Translation]

THE REFERENDUM

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, in a speech he made last night in Toronto, the Prime Minister made a new contribution to Canadian democracy. First, he confided it was frustrating to see Quebecers vote in a referendum on their sovereignty and thus undermine Canada's political stability. In concluding his speech, he made it clear that he would intervene to prevent any more votes of this kind.

My question is directed to the Deputy Prime Minister. Would she oblige by telling us what the federal government intends to do to prevent democracy in Quebec from voting in accordance with its own laws?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the difference between the Prime Minister and the Premier of the next party the Leader of the Opposition will soon be leading is that the Prime Minister of Canada says he recognizes the fact that all Quebecers have the same right to vote.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Except that he wants to take that right away from them, Mr. Speaker.

Oral Questions

The same rights, meaning that no one will be able to vote.

Mr. Speaker, living in a democracy is clearly getting to the Prime Minister.

Are we to understand that from now on, instead of rejecting the results of the referendum, as he was about to do if the yes side had won, the leader of the federal government will prevent any future referendums? By even considering such extreme positions, is this gentleman not demonstrating the depth of his despair and his utter inability to overcome his inertia?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the difference between the Leader of the Opposition and the Prime Minister of Canada is that the Prime Minister accepted the results of the referendum.

We heard the Leader of the Opposition say on the night of the referendum that he accepted the people's decision. I hope that when he arrives in Quebec City very shortly, he will listen to his own ministers, including Serge Ménard who said Wednesday, and I quote: "It seems sensible to have only one referendum. This effort to reach a consensus, which is the whole point of a referendum, means we must consult before imposing. We will have to wait until the next election when we will tell them what our plans are. We must deal with the problems of Quebecers, get our public finances back into shape and govern".

Mr. Speaker, we also heard comments from the Minister of Justice in Mr. Bouchard's new government, who said, and I quote: "You do not have a referendum because you lost the first one and you think you will have a better result three weeks later". That shows respect for the democratic system.

The Speaker: Again, my dear colleagues, I would ask you to refer to each other by the names of your ridings.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, all sovereigntist Quebecers who voted Yes, 49.4 per cent, are still paying taxes to Ottawa and observing federal laws because they acknowledge the fact that democracy in Quebec has spoken. I said it before and I say it again: We are democrats first and foremost, and the first duty of democrats and citizens is to respect a democratic vote like the one held Monday in Quebec.

That being said, we should also realize that the people are masters of their right to vote and that if some day the people of Quebec decide to have another referendum, they can do that. We just had a reference to what was said by the Minister of Justice, who was merely referring to the Quebec law that provides that, in order to have another referendum, there must first be an election. And eventually we will have an election in Quebec, since we are a democracy and elections are part of being a democracy.

People will always be able to vote in Quebec. That does not seem to be the case in Canada.

• (1420)

Will the Deputy Prime Minister admit that the federal government is now resorting to such undemocratic measures as banning a vote, simply because it is afraid that a future referendum will make Quebec a sovereign country?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the difference, and I say this again because it is very important that it be remembered, is that on the evening of the referendum, Mr. Parizeau himself said that they lost because of the ethnic vote and people with money.

Three weeks before, the leader opposite made an appeal to the white race and never apologized. The difference between the Prime Minister and the Leader of the Opposition is that the Prime Minister respects the word and the vote of all Quebecers. All Quebecers voted in the referendum, and the majority voted no. We respect the outcome. And we assumed he would do the same.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Deputy Prime Minister cannot get off like that. When we are talking to her about respect for democracy—

An hon. member: What respect?

Mr. Gauthier:—quoting words from all over the place. This is not the question at issue.

This is not the issue, Mr. Speaker. The issue is respecting democracy. In his speech in Toronto, the Prime Minister said yesterday that the rest of Canada had been—

Some hon. members: Oh, oh.

Mr. Gauthier: They should listen, Mr. Speaker, this would show them what their Prime Minister thinks. It is not always nice.

In his speech in Toronto, the Prime Minister said that the rest of Canada had been extremely generous in letting Quebec hold not one, but two, referendums.

Mr. Bouchard: Such generosity.

Mr. Gauthier: What generosity, Mr. Speaker.

Mr. Loubier: Thank you very much.

Mr. Bouchard: Thank you so much.

An hon. member: Quebec, we love you.

Mr. Gauthier: In addition to our warmest thanks to the Prime Minister.

An hon. member: Thank you so much.

An hon. member: We love you.

Mr. Manley: Sit down and shut up.

Mr. Manning: If there is no question, sit down.

Oral Questions

Mr. Gauthier: Are we to understand, Mr. Speaker, that the Prime Minister of Canada is now questioning the right of Quebecers to decide their political future? That is the question.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the hon. member opposite is hauling out words from all over the place. The words I quoted earlier—

An hon. member: Answer the question.

Ms. Copps: —are not words from all over the place, these are the words of the Quebec justice minister, who, I wager, will be in the Leader of the Opposition's caucus soon. He said that Quebecers do not hold a referendum because they lost the first one and think they could score better three weeks later. These are the words of the Quebec justice minister.

What is important is that we remember the words of the Leader of the Opposition the evening he talked about the results. He said that the referendum debate had demonstrated Quebecers' discipline, political maturity and their profound attachment to democratic values, and that the wishes and democratic vote of Quebecers deserved respect.

We cannot chose a white race, like the Leader of the Opposition did. We must respect the vote of all Quebecers. Let us hope he will do so.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, there are limits. The Prime Minister of Canada has just said we are lucky he allowed us to hold a referendum. We question the Deputy Prime Minister on it, on the right of Quebecers to decide their future themselves, and she answers any old thing. This is scandalous.

Some hon. members: Indeed.

Mr. Gauthier: Are we to understand that the Prime Minister of Canada has just taken upon himself to decide the limits of democracy in Quebec?

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Prime Minister in his speech last night defended the right of all Quebecers. He took a page from the book of the Leader of the Opposition who said last Canada Day that we live in the most democratic country in the world. The people of Quebec spoke.

• (1425)

An hon. member: That is not true anymore.

Ms. Copps: It was true on Monday night. Between Monday night and Wednesday somehow it is not true anymore but the reality is—

Mr. Bouchard: You have changed it.

An hon. member: No way. You can't take the heat.

An hon. member: Vote yes and it is democratic.

[*Translation*]

Ms. Copps: Mr. Speaker, on the subject of democracy, the most unfortunate part is that the Leader of the Opposition never took back the words spoken by Mr. Parizeau the other night. The Leader of the Opposition's remarks about the white race three weeks ago were never taken back. This reveals that it is not the Prime Minister who fails to respect Quebecers' right to vote, it is Lucien Bouchard and the Parti Québécois.

[*English*]

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, in his speech last night, the Prime Minister indicated that he is not prepared to tolerate any more referendums on Quebec sovereignty.

My question is for the Minister of Intergovernmental Affairs. We are wondering exactly how it is that the government intends to achieve this. For example, is it considering a federal law to outlaw provincial referendums? Exactly what is it proposing?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, once again there is an opportunity for the Reform Party to join the ranks of Canadians who frankly want all of the country to get on to governance. Instead, he is salivating for another referendum because he did not like the results of the first one.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, what Canadians want from this government are answers to some simple questions. They do not want to see the government defending the same kind of demagoguery we have here sometimes.

If the separatists cannot have another referendum on Quebec sovereignty, which I suspect they would be ill advised to pursue in the near future, they may try simply to seek a mandate through an election, something which would be much easier to achieve.

Does the government really think this would be a better alternative for Canada than a referendum?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the best way to avoid another referendum is clearly to effect changes in the distinct society clause or in the right of veto, but especially changes that affect the respective powers of the federal and provincial governments.

We have already started to make these changes. They have been indicated. The federal government is now redefining its role and responsibilities. We are doing it at a lower cost to Canadians because we will be reducing the size of the federal government by 20 per cent.

Oral Questions

• (1430)

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, in terms of the government's nascent constitutional agenda, it would be advised to pursue unity by pursuing those issues on which Canadians agree and not those issues on which they are divided.

Yesterday the Prime Minister said he would propose a constitutional veto not for the Government of Quebec but for the people of Quebec. I would presume that is by referendum. Now he says he does not want more referendums in Quebec.

Does he foresee further consultations of the people in Quebec and outside Quebec on their constitutional future or not?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, there is no doubt that considerable changes are needed in the Canadian federation. I think we all agree on this.

The federal government has to play a leadership role. It has to redefine its roles and responsibilities. It has to clean up its act. It has started to do that. The various means that will be used in the future either to clarify the constitutional position or to redefine the jurisdictions of all levels of government will be taken whenever necessary by whatever means necessary.

But we must not forget that Canada is not just an addition of 10 provinces. It is all Canadians voting together in a federal set-up in order to elect a government and representatives that look at national interests, not only provincial interests.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the Leader of the Opposition publicly dissociated himself from the words of Mr. Parizeau the very next day here in this House, and I therefore accuse the Deputy Prime Minister of having knowingly lied to this House a few moments ago.

The Speaker: My dear colleague, I must ask you respectfully to please withdraw the words you used here a few minutes ago concerning the Deputy Prime Minister.

Mr. Duceppe: Mr. Speaker, I respect you, but I also respect what I am as well as the truth, unlike the Deputy Prime Minister, and I cannot withdraw my words.

* * *

NAMING OF MEMBER

The Speaker: My colleagues, as you know, we must always show respect for each other here in the House. When I ask you to withdraw your words, regardless of what those words are, it is

with the full authority of the House of Commons that I ask it of you.

[*English*]

We are in pretty tense times for our nation. If it surprises you that I am going to act as quickly as I am, I do so knowing full well that my primary responsibility in the House of Commons is to see to it that the institution itself is respected by all of us.

I have asked the hon. member for Laurier—Saint-Marie—

[*Translation*]

—to withdraw his words and he has refused to do so.

• (1435)

Therefore, Mr. Duceppe, I must name you for disregarding the authority of the Chair. Pursuant to the authority vested in me under Standing Order 11, I order you to withdraw from the House for the remainder of today's sitting.

[*Editor's Note: And Mr. Duceppe having withdrawn:*]

* * *

[*English*]

THE REFERENDUM

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, last night the Prime Minister told Canadians that he understood full well their frustration at having to sit on the sidelines during the referendum and said that he would not let it happen again.

However, in question period yesterday the Prime Minister flatly rejected the idea of consulting Canadians directly through constituent assemblies.

My question is for the Deputy Prime Minister. If not through referendum, if not through constituent assemblies, then how does she plan to consult Canadians on the future of their country?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, a few days before the final vote a call went out to Canadians from coast to coast to come to Quebec to show their solidarity with Canada.

Members of Parliament from every political party responded to that call. Unfortunately of 52 Reform members of Parliament, 51 of them were too busy doing other things to respond to the call to Canada.

We have a responsibility as members of Parliament with our constituents to continue to work for a better democracy. Hopefully the next time the Reform Party will be working with us and not against us.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, may I remind the Deputy Prime Minister that Reformers from across the country were at the Montreal rally, the people, not the politicians speaking out.

It was evident from the results of the Charlottetown accord that Canadians do not want to see distinct society status or

constitutional vetoes brought in. They want to see the federal government decentralizing power, in fact loosening the grip and the stranglehold it has on powers. The west wants it, Ontario wants it, and Quebec Liberal leader Daniel Johnson wants it.

When will the Deputy Prime Minister start living up to this promise of changing the way the federation operates and begin the actual transfer of powers to the provinces?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, in 1929 the Senate recognized that women politicians were persons. I hope that when we were in Montreal, we the people were there but we the politicians were also there.

Unfortunately it was a calculated decision of Reform Party members to sit on the sidelines. It was a reflection of the decision they made throughout the campaign because frankly they did not support the option of Quebecers staying in Canada.

Speaking of the sharing of power, I was in Whitehorse only 10 days ago when we had unanimous—

Miss Grey: Giving, not sharing.

Ms. Copps: “Giving it”, she says, “not sharing it”.

In Whitehorse only 10 days ago we had unanimous agreement of all ministers of the environment, including the minister of the environment for Alberta, of harmonization where we share responsibility, not just a giveaway.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ.): Mr. Speaker, knowing that the Leader of the Opposition dissociated himself immediately and the day after from Mr. Parizeau’s words, I would ask the Deputy Prime Minister through you if she will have the decency to apologize in this House, asking the pardon of the Leader of the Opposition for having put words in his mouth that he never said and for which he apologized publicly. I would ask her to have the decency to withdraw her words.

• (1440)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, it must be kept in mind that the present leader of the Parti Quebecois was not the first to bring up race. In fact, in a speech before the referendum, it was the hon. member for Lac-Saint-Jean who played the race card, who asked those in the French speaking white race to have babies.

I asked for an apology the next day. I have never, never heard any apology from the member across the floor, and I am still waiting for one.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, the longer the Deputy Prime Minister talks, the more she piles it on, and the more she lies to this House.

Oral Questions

An hon. member: Liar.

Mr. Bellehumeur: She is a liar.

Some hon. members: Oh, oh!

The Speaker: Dear colleagues, this is the second time today.

Mr. Bouchard: She is the one that needs speaking to.

Some hon. members: Oh, oh!

[*English*]

The Speaker: You can see, my colleagues, the reason why it is not acceptable to use unparliamentary language.

I would remind you with all respect, that we are the parliamentarians of Canada and this is where we have come to debate, with respect and with dignity.

[*Translation*]

I am asking once that the hon. member for Berthier—Montcalm withdraw his words.

Mr. Bellehumeur: Mr. Speaker, the Leader of the Opposition publicly dissociated himself from the words of Mr. Parizeau. I shall withdraw my words only once the Deputy Prime Minister has retracted—

* * *

• (1445)

NAMING OF MEMBER

The Speaker: Mr. Bellehumeur, I must name you for disregarding the authority of the Chair.

Pursuant to the authority vested in me under Standing Order 11, I order you to withdraw from the House for the remainder of today’s sitting.

[*Editor’s Note: And Mr. Bellehumeur having withdrawn.*]

* * *

[*English*]

NATURAL RESOURCES

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the Prime Minister has been promising us that big administrative changes are in the works. Under the Constitution, natural resources are the exclusive domain of the provinces, yet the federal government continues to meddle in this area of provincial responsibility. Reform’s new confederation proposals would reduce the federal government’s role in natural resources to a bare minimum.

What specific changes does the Prime Minister propose to reduce the federal role in natural resources?

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, I thank the hon. member for his question.

Oral Questions

I can take this opportunity to explain that we are not meddling in the area of provincial jurisdiction. In fact, during program review last year leading up to the February 1995 budget, my department took the opportunity to consult with all the provinces. We have worked co-operatively and collaboratively with the provinces so that we do not have overlapping duplication any longer in the resource sectors.

We have defined our role and the provinces have defined theirs. As far as I know, they are reasonably happy with that.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the provincial ministers of energy and mines have been urging their federal counterpart to harmonize regulations. Over the past two months their letters to the minister have gone unanswered as they have tried to organize a meeting with her, the Minister of Intergovernmental Affairs and the provincial ministers of energy and mines and resources. In fact in a letter the ministers expressed "major concern about the lack of recent progress and the loss of momentum on harmonization efforts".

Will the minister arrange today a meeting with her, the Minister of Intergovernmental Affairs and their provincial counterparts to discuss the harmonization issue?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the ministers of intergovernmental affairs, both provincial and federal, are always discussing these possible changes. In fact just today I was in contact with one of them in order to try to see whether we could increase the harmonization in terms of questions of natural resources, decentralization, and the efficiency of the federation initiative.

We are working all the time, trying to reach new ways of governing the federation that are less costly to people and that permit the federal and provincial governments to govern where they are most efficient.

* * *

[Translation]

WELFARE

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

The minister will probably be interested to read in today's newspapers that during the first four months of the current fiscal year, from April to July, Quebec was \$322 million over budget on welfare payments. This sad state of affairs is due to the fact that more families in Quebec are on welfare than was expected.

Will the minister finally admit that repeated cuts in unemployment insurance are to blame for this sharp increase in welfare costs in Quebec?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, we have been over this ground several times.

It is important to point out to the hon. member and to members of the House that in fact the rate of increase for social assistance caseloads in the province of Quebec has declined over the past year, from an average rise of about 8 per cent down to 1.5 per cent, which simply does not jibe with the facts she is putting out. Over the last four months, since the month of August, there has been a net decline of about 7,000 in the caseloads. The reason for that, as we know, is that we have been very successful in creating over 125,000 jobs in Quebec over the last two years.

• (1450)

Under the UI changes we brought in last year, we provided a special benefit for those on low income so that those who have dependants or children would be able to receive an additional \$1,000 over and above their regular benefits, which meant that over 130,000 Quebecers alone were able to get those additional benefits.

This summer I was able to sign an important agreement with the Government of Quebec to provide \$81 million directly to social assistance recipients so that they would receive an income supplement that would enable them to go back to work and receive enough income.

Rather than spending her time trying to argue about small minutiae of details and figures, what we should be talking about is how we come together as two levels of government to help the real people who have real needs. That is the real issue.

[Translation]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, if the minister refers to 20,000 more people on welfare as small minutiae, details and figures, in a so-called period of prosperity, at a time the government is about to cut welfare subsidies in the Canada social transfer, what will it be like in the next recession? This is unacceptable.

Will the minister finally admit that further draconian cuts he is about to make in unemployment insurance will put even more families on welfare and make the budgetary problems of the Quebec government even worse?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, contrary to what the hon. member and other members of the Bloc and the Parti Québécois have been trying to say to the people of Quebec in a really quite deliberate effort to give out misinformation, I will tell the hon.

Oral Questions

member that one of the most important elements we are putting together as part of the new unemployment insurance package is what the Prime Minister talked about in his speech last night. He said that we will provide basic protection for families on low income with children. It is something we have been talking about in this country for a long time, and we intend to do it.

I would say to the hon. member that rather than arguing old arguments she should be putting her attention now to helping govern this country better so that we can really help poor people, rather than simply trying to break up this country. That is the best way of providing security and civility.

* * *

SRI LANKA

Mrs. Beryl Gaffney (Nepean, Lib.): Mr. Speaker, my question is for the secretary of state for foreign affairs.

Canadians are concerned about the Sri Lankan government's current major military offensive on the people of the Jaffna Peninsula. The civil war and massive attack is resulting in a serious threat to the civilian Tamil population and the further displacement of large numbers of people.

Can the secretary tell the House what role Canada is playing to stop this bloodshed?

Hon. Raymond Chan (Secretary of State (Asia-Pacific), Lib.): Mr. Speaker, I would like to take this moment to pay tribute to our ambassador to China, who passed away Tuesday. Ambassador John Paynter served Canada well, both in India and in China. We offer our condolences to his wife Inga and his three children.

To answer the hon. member's question, indeed we are very concerned about the situation in Sri Lanka. This summer I personally travelled to that country on a fact finding mission. During that trip I told the President of Sri Lanka that we were disappointed at the unilateral resumption of hostility in Sri Lanka by the LTTE on April 19 after 14 weeks of peace. However, at the same time we also expressed our concern to the government that a military solution was not an option in Sri Lanka. We continue to urge the government and the LTTE to resume negotiations for a peaceful solution.

Canada has been saddened at the continuation and escalation of the conflicts in Sri Lanka and with the large loss of life. Canada totally condemns the slaughter of innocent persons, both Tamil and Sinhalese, in Sri Lanka in recent days. This slaughter is not helping the situation.

• (1455)

CANADA PENSION PLAN

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, yesterday the Minister for Human Resources Development admitted that the Canada pension plan is unsustainable. In response, he announced another tax grab. He is raising payroll taxes despite the fact that in his budget the Minister of Finance stated that payroll taxes are a cancer on job creation.

How high is the government planning to raise payroll taxes to prop up a system facing collapse?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as the hon. member knows, the whole question of the financing of the Canada pension plan is under review.

We will be tabling in the House before the end of the year a paper that will put forward a series of recommendations. It is an area that must be worked out with the provinces. It is a joint sharing of responsibility to ensure that the tens of millions of Canadians who rely upon the Canada pension plan, which is a pooled sharing fund, will be able to sustain it and be able to give absolute certainty and surety to not only this generation of pension holders but future generations that the Canada pension plan will provide a very stable foundation for their security in old age.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, that last comment is not even worth responding to. The system is facing collapse by the year 2010.

Our plans for renewing the Canada pension plan include protecting seniors' benefits without raising payroll taxes. These are the kinds of positive changes Reform is offering in its new confederation.

Is the Minister of Human Resources Development prepared to roll back this tax increase and forget this obscene attack on jobs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member says she does not want to comment on the program that has been in place for several decades helping to provide protection. In fact the hon. member tabled a report from the Reform Party that would totally eviscerate any kind of security for disabled people, for survivors with children, for seniors, and which would eliminate all kinds of payments for low income Canadians.

This member is the authoress of a program that would totally undermine the public pension plan of Canada.

*Point of Order***CANADIAN WHEAT BOARD**

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, again today prairie farmers are attempting to freelance grain sales into the United States, increasing trade tension with the United States and risking the imposition of yet another cap on sales.

Is the minister of agriculture prepared to say today that he will not let Canada run the risk of being shut out of the U.S. market by telling Canadians that he is prepared to ensure the enforcement of single desk selling through the Canadian Wheat Board?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, the law of Canada with respect to the powers and authorities of the Canadian Wheat Board is very clear. That law has been on the books of this country for a long time, and by and large that law has been respected. It ought to be respected.

Those who hold contrary views and wish to see some changes in the legal system that presently exists can bring their views forward and let those views be debated and discussed. We have established a procedure for that to occur.

I would advise those who deliberately violate the law that they are in no way advancing their own case. They are in fact in the process of undermining democracy. Beyond the point of the illegal nature of their actions, they are also raising the spectre of a very serious trade problem with the United States, which could undermine the incomes and the livelihoods of all Canadian farmers.

I would carefully advise those who contemplate violations of the law that they ought to respect the law, because illegal activity does not accomplish anything. Second, they are running the risk of very serious trade repercussions.

• (1500)

* * *

[Translation]

PRIVILEGE

ORAL QUESTION PERIOD

The Speaker: The Leader of the Opposition is rising on a question of privilege. Could he tell me whether it concerns something that happened during Question Period?

Mr. Bouchard: Yes, Mr. Speaker.

The Speaker: The Leader of the Opposition, on a question of privilege.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, just now everyone heard the Deputy Prime Minister say I did not dissociate myself from the comments made by Mr. Parizeau on the night of the referendum. In fact, the very next day in a media scrum here in the lobby of the House of Commons, I publicly and clearly dissociated myself from his comments. I also pointed out that those who voted in the referendum on Monday were all Quebecers, that we are still all Quebecers and that no distinction should be made between the votes cast.

My statement was brought to the attention of the Deputy Prime Minister earlier today, twice in fact, by two Bloc members, but she refused to withdraw her accusation.

What she said implies that, by remaining silent, I approved of and agreed with what Mr. Parizeau said. This constitutes a violation of my rights as a parliamentarian and an attack on my reputation.

In the name of parliamentary democracy, I would ask you to discuss this with the Deputy Prime Minister and give her one last chance to do the right thing by asking her to withdraw what she said.

The Speaker: My dear colleagues, what the Leader of the Opposition heard or did not hear may be very unpleasant and he may feel aggrieved. However, in my opinion, what someone said or did not say constitutes not a question of privilege but debate. That is my decision.

Instead of seeking to continue what is in fact a debate, my decision is that this is not a question of privilege.

[English]

I have a point of order. The hon. whip of the Reform Party.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I may need your help on this. The closest I can get in Beauchesne's is perhaps citation 481(e). The point is this. The Deputy Prime Minister today made two deliberate falsehoods: one concerning, alleging—

• (1505)

The Speaker: I address myself, of course, directly to the whip of the Reform Party.

My colleague, the words that you have used that one of our members made a deliberate falsehood is not acceptable and I would like you to withdraw it.

Mr. Ringma: Mr. Speaker, I withdraw the words deliberate falsehood, although I believe it.

Some hon. members: Oh, oh.

Business of the House

The Speaker: I put it to you squarely, my colleague. Will you withdraw, yes or no?

Mr. Ringma: Yes, Mr. Speaker, I will withdraw the word falsehood.

Some hon. members: Oh, oh.

The Speaker: I accept the withdrawal completely, without explanation. I am going to let that sit there.

If the hon. member has a point of order, I would like him to put it to me forthwith.

Mr. Ringma: Mr. Speaker, my point of order is that there were two wrong statements made in the House this afternoon.

One accused the Reform Party of deliberately having a policy of not supporting the parade in Montreal and the other was a statement that the Reform Party deliberately wanted the yes side to win.

Those two statements are totally erroneous.

Some hon. members: Hear, hear.

The Speaker: My colleagues, it is not for your Speaker to judge that which is or is not erroneous in the statements made in the course of debate or question and answer period.

With all respect to my hon. colleague, the Reform whip, I would say that what he has said could be a point of debate, surely. If he does not agree with this statement, we go through this every day in here.

My decision is that it is not a point of order. I will hear a point of order from the hon. member for Calgary Centre.

Mr. Silye: Mr. Speaker, in light of what you had to do today in naming two members, does it mean that because the numbers have changed that we are now the official opposition?

• (1510)

Some hon. members: Oh, oh.

Mr. White (Fraser Valley West): We want the money.

The Speaker: That might be a point of clarification, but it is not a point of order.

* * *

PRIVILEGE

COMMENTS DURING QUESTION PERIOD

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, tone of voice in this place can be as important as what is actually said. During question period the Deputy Prime Minister, in answer to a question from the member for Beaver River, said that 51 Reform MPs were too busy doing other things to attend the Montreal rally.

The tone of voice used by the Deputy Prime Minister imputed motive and inferred that—

Some hon. members: Oh, oh.

[*Translation*]

The Speaker: We will have the Thursday question in a moment. I want to give my response here.

[*English*]

Colleagues, it is true that not only words may be offensive in this House, indeed unparliamentary. It is true that the tone of an answer might also cause your Speaker to say that such and such a statement is unparliamentary.

I was listening very closely to the debate. Although many statements today were offensive to one side or the other, in my view as far as the decorum of this House and the conducting of the question period are concerned, they were within the area of acceptability.

With regard to that question of privilege, I would rule it was not a question of privilege.

* * *

[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I rise, not on a point of order, but to ask the Thursday question. I would like our colleague to tell us what is on the legislative agenda.

[*English*]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I am speaking today as government House leader.

The Speaker: You will forgive me, you look the same. The hon. government House leader.

Mr. Gray: Mr. Speaker, I want the record of the House to show I am speaking in a calm, measured tone of voice with no intention of sarcasm or innuendo.

Some hon. members: Oh, oh.

Mr. Gray: It is our intention to continue with the list of items already being considered by the House today. I am referring to second reading of Bill C-95, the reorganization of the Department of Health; third reading of Bill C-94 relating to fuel additives; second reading of Bill C-96, the human resources development department reorganization, and report stage and third reading of Bill C-52, the Department of Public Works and Government Services reorganization.

Tomorrow we would like to deal with Bill C-108, the National Housing Act amendments. We would then resume the list I have just read out.

Government Orders

Finally, we will be in ongoing consultations with the opposition parties about the scheduling of other business, including opposition days.

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, may I put a question to the government House leader? My colleagues and I are deeply concerned about the government's fall agenda.

The facts, as I look at them, in the last 46 or 47 days are as follows. Just four new bills have been introduced in this House, no aging paper has been presented, no UI legislation has been tabled. There has been a refusal to call bills which the separatists object to. Twelve of nineteen bills were such—

The Speaker: I would take it this has to do with House business. With all respect, I would ask the House leader of the Reform Party to please put his question.

Mr. Speaker (Lethbridge, Ref.): Mr. Speaker, I will do that.

I plead with the government House leader to commit this House to a serious legislative agenda before the end of this fall session and I would like to know what it is.

• (1515)

At this point in time we have had no indication of any kind of serious legislation; not even the voice of intent, never mind something in concrete form.

Mr. Gray: Mr. Speaker, when we resumed the session I said we had some 30 measures waiting on the Order Paper from the end of the session in June for debate. I said that we would be proceeding in an orderly fashion with those measures as a priority.

I do not know why our colleagues think we should have scrapped all those measures. I thought they wanted a measure to tighten up the parole and correction system, Bill C-45. Now they are on record as opposing that. I thought they wanted a measure to have a better witness protection system, Bill C-58. Now they are on record as opposing that.

Now that we have dealt with a bill to create an environmental auditor general, they are in effect saying that was not worth while. Now that we are dealing with measures on dangerous fuel additives, they are saying they did not want those measures to be debated. Now that we have debated a measure to update our transportation regulations, the Reform Party is saying that was not worth while.

I will conclude my remarks without your saying anything, Mr. Speaker. I can see your face; a tone of voice is not necessary. On each and every one of the measures they participated in the debate. They put down amendments. They called for votes. By their actions they are saying the House leader for the Reform Party simply does not know what he is talking about.

GOVERNMENT ORDERS

[Translation]

DEPARTMENT OF HEALTH ACT

The House resumed consideration of the motion that Bill C-95, an act to establish the Department of Health and to amend and repeal certain acts, be read the second time and referred to a committee.

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, it is difficult to begin to debate a bill and be interrupted by question period, but I will nevertheless summarize a bit what I said and then to on.

We are debating an act to establish the Department of Health and to amend and repeal certain Acts. I had said that, in fact, the bill was aimed at replacing the name of the Department of Health and Welfare by the shortened title of Department of Health.

Generally, not a lot of sections have changed, but in reading this bill, we realize that certain sections have been changed, repealed or added, only some. In some cases we see that the government, as a good government, is once again legitimizing its authority and is giving the Minister of Health authority to intervene yet again in areas that are under exclusive provincial jurisdiction.

I gave a brief history and I am going to summarize what I said to conclude with the clauses I mentioned earlier, which provide the powers of the minister, who may intervene in areas of provincial jurisdiction.

Under section 92(7.16) of the Constitution Act, 1867, and according to the courts, the sectors of health and social services are exclusively under the jurisdiction of Quebec and the other provinces. Since as far back as 1919, Ottawa has been getting increasingly involved in these sectors, forcing Quebec even here to comply with so called national standards and objectives.

• (1520)

As far as we are concerned, federal initiatives in the area of health and welfare, except for those dealing specifically with certain groups of people—members of the Canadian Forces, sailors, Indians, immigrants and prisoners—have no clear constitutional basis. They depend entirely on the federal government's spending power, which allows it to take many more major initiatives.

In 1919, the Department of Health was created and the first subsidies granted. In 1948, the national health subsidy program was introduced. In 1957, the Hospital Insurance and Diagnostic Services Act was passed by Parliament. The Medical Care Act

Government Orders

was passed in 1966, and the Canada Health Act, known as Bill C-6, in 1984. The Canada Health Act replacing the 1957 and 1966 laws set national standards and imposed requirements limiting the autonomy of Quebec and the provinces. Bill C-6 set out provincial obligations: universality, accessibility, interprovincial portability, public administration, and comprehensiveness. Failure to meet these criteria may lead the federal government to withhold transfer payments to the provinces for health care.

As early as 1926, Quebec denounced the federal government's interference in the area of health, and the reservations then expressed by the Taschereau government were reiterated by every succeeding administration. Health Canada has become so big that its 1995-96 estimates set aside \$1.5 billion for operating expenditures—\$347 million for personnel costs and \$703 million for goods and services—and \$6.9 billion for transfer payments. However, this contribution to the provinces, which is, as I was saying, subject to compliance with national standards, does not prevent the federal government from going ahead with its own health and welfare initiatives, as shown by the list I just gave you on the subject of duplication.

The 1991 national strategy for the integration of persons with disabilities, with a budget of \$46 million over five years; the 1991 federal initiative against violence, with a budget of \$136 million over four years; the new horizons program; the seniors secretariat; the national strategy to reduce tobacco use; the national drug strategy; the national AIDS strategy; the pregnancy and child development program; the children's bureau, the national forum on health. All these initiatives directly encroach on existing programs. Such cases of overlap and duplication cost a lot of money.

I would now like to make a few comments on the government's red book commitment with respect to the national forum on health. With respect to health, the federal government does not intend to allow any slack to the provinces, as promised in the fall 1993 election campaign, when its intention to hold a national forum on health, if it was elected, was made public.

The federal health minister made no secret of Ottawa's centralizing designs. During its election campaign, the Liberal Party of Canada released a document entitled "Creating Opportunity: The Liberal Plan for Canada", better known as the red book. Reference is made in this book to being committed to holding a national forum on health, and the way this commitment is worded hardly conceals the federal government's desire to take control over health care in Canada. Let me read you what it says. "The role of the federal government should include the mobilization of effort to bring together Canada's wealth of talent and knowledge in the health care field." If that is not the expression of a will to centralize, I do not know what is. "This is

a societal issue in which every Canadian has an interest. The federal government must provide the means to ensure that Canadians are involved and informed, and can understand the issues and the options."

• (1525)

On June 29, 1994, despite the objections of the provinces, the federal health minister announced the creation of this forum. To date, four work sessions have been held, and not one province is represented at this forum. The forum's mandate is to develop a vision of what the Canadian health care system will be in the 21st century; foster dialogue with Canadians concerning their health care system to ensure that, while respecting the general principles of the system and preserving its benefits, the renewal process under way will make the system better and lead to greater public health; establish priorities for the future and bring about a wider consensus on the changes that are required.

Following the invitation sent by the federal health minister, Mr. Rochon, Quebec's minister of health and social services, gave the following reasons, in a letter dated October 14, 1994, to explain why the Quebec government would not participate.

The mandate of this forum is an encroachment by the federal government in a field which essentially falls under provincial jurisdiction, and that is unacceptable. The clearly stated objective of your government, which is to give the forum a mandate to define future priorities, in the context of health care reform, and to define the means to that end, is a direct intrusion in provincial governments' affairs. This is something that cannot be hidden behind the consultative nature you ascribe to the recommendations that would come out of this forum.

That was the Quebec health minister's response to his federal counterpart.

Quebec's health minister also pointed out that Quebec had not waited for the presumed leadership of the federal government to undertake a reform, adding that important concrete measures had been taken, that an extensive public hearing process had enabled Quebecers to state their views and their needs, thus fostering a joint effort to define priorities and means of action, and that, in recent years, the federal government had made major cuts in its transfers to the provinces.

What we have here is yet another measure which demonstrates the federal government's intention to get involved in the health sector. Indeed, Bill C-95 includes provisions which clearly give the health minister a legitimate power to interfere, yet again, in fields of provincial jurisdiction.

If we look at these clauses, far from acting in good faith by withdrawing from this area that does not come under its jurisdiction, the federal government has every opportunity to gradually take over areas of provincial jurisdiction when it is in its interest. I am not saying that this is a major bill; it has been portrayed as harmless and inconsequential, but the reality is far different.

Government Orders

Subclause 4(1) of Bill C-95 sets out the powers, duties and functions of the Minister of Health. It proposes that the minister's powers extend to "all matters over which Parliament has jurisdiction relating to the promotion and preservation of the health of the people of Canada".

The Department of National Health and Welfare Act contained a similar provision. Parliament's jurisdiction over public health could cause confusion. This provision should be more specific.

The following clauses are more subtle. Subclause 4(2) lists the health minister's powers, duties and functions, including "the promotion and preservation of the physical, mental and social well-being of the people of Canada".

This provision would give the federal government the authority and legitimacy to interfere in an area of exclusive provincial jurisdiction.

Subclause 4(2) then mentions "the protection of the people of Canada against risks to health and the spreading of diseases". This does not appear in the original act that Bill C-95 would replace.

• (1530)

This would allow the federal government to move to protect the health and safety of the people in the name of national interest and of the power to ensure peace, order and good government. Paragraph 4(1)(c) places investigation and research into public health, including the monitoring of diseases, under federal jurisdiction.

This provision creates a problem, since clause 12 provides that "nothing in this act or the regulations authorizes the minister or any officer or employee of the department to exercise any jurisdiction or control over any health authority operating under the laws of any province". There is obvious confusion here.

How does Health Canada plan to ensure this continuous disease control monitoring without having access to the necessary information? According to the Act respecting health services and social services, health care institutions are health agencies governed by provincial legislation.

Is that really a problem? Does clause 12 effectively limit federal intervention in health matters or is it a mere front put up to reassure the provinces, a line that the federal government will have no qualms crossing if and when it pleases, as it has done in recent years?

Clause 4 may therefore be interpreted rather freely and broadly. There certainly is cause for concern about the real scope of this clause, which can be interpreted many different ways and ascribed many intentions. This is how, as usual, the federal government tries to expand into provincial areas of jurisdiction through a seemingly simplistic and innocuous project.

But no one is fool enough not to guess what it is up to. Bill C-95 is another fine example of the federal way of doing things: silently, without making any waves, because it knows full well that no one agrees with its handling of health care.

Needless to say that, for all those reasons and many more—that my colleagues will have the opportunity to raise later on—we cannot support in any way Bill C-95. Mr. Speaker, before closing, I would like to table the following amendment to Bill C-95.

I move, seconded by the hon. member for Joliette:

That the motion be amended by deleting all the words after the word "That" and substituting the following: "this House declines to give second reading to Bill C-95, An Act to establish the Department of Health and to amend and repeal certain Acts, because the principle of the Bill does not provide for including in the Minister's powers, duties and functions, the power to award full and entire financial compensation to any province wishing to exercise fully its jurisdiction over health".

• (1535)

[English]

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, Bill C-95 is really not much more than a bill to change the name of the Department of Health. On that basis it is surprising that we will spend so much time debating it. If I asked a high school class how long they thought it would take to change the name of a department, they would tell me it would probably take a minute.

I see this debate being used by my colleagues as an opportunity to talk about health care in a broader sense and I will seize that opportunity too. This bill is what my House leader said it was a few moments ago when he said it was a pretty thin soup on the legislative agenda we have seen lately.

Let me start my comments about health care in general by making a statement I would like to have emblazoned across the forehead of my colleagues across the way as coming from the health critic of the Reform Party. I will say it over and over again until they finally recognize and plainly hear what I am saying: Medicare is our best social program. Medicare is the program I think we should protect with all our resources.

Let me follow that by saying U.S. style medicare, U.S. style medicine is absolutely unacceptable to Canadians and to Reformers. There is no desire anywhere in Canada to move toward a system like the U.S. has. How many times can I say that? How many times can I express it? How many times can I emblazon it on the foreheads of my colleagues?

Our public system which is tax supported, which is universal, which is comprehensive, which is accessible to all and which is publicly administered, is truly unparalleled. Medicare is our best social program. This social program however has some cracks in it. The cracks must be talked about and addressed. If

we simply stand idly by and let the best social program we have break down, we have not done what we should be doing as legislators.

I beg my colleagues across the way to stop the rhetoric. I beg them to stop this nonsense about a U.S. style two tier system. I beg them instead to listen carefully to the actual proposals I make. I beg them to actually debate with me those proposals line by line instead of with buzzwords, instead of with rhetoric, instead of with platitudes. Please debate the concerns.

Why does our medicare system have cracks? What are the cracks I see? I see an aging population in Canada. Each one of us knows that as we age, medical expenses go up. In the last three years of life, 70 per cent of our health care expenditures are spent.

I see new innovative technology coming along that was never envisaged when medicare came on the scene. I see organ transplants, joint replacements, things we never dreamed about when health care was set up. Some of those things are profoundly expensive. Some are very difficult to fit into the framework we have.

• (1540)

Finally what are probably driving the cracks, and I wish they were not, are the funding shortfalls. We are in a position now where the federal government is spending over \$1,200 per person to service the debt, that is servicing the interest on our debt annually while we spend \$268 per person on medicare.

If nothing else, those three things which are happening in medicare have produced profound cracks. Ignore them, pay no attention to them and our most valuable social program will not just have cracks, it will implode. It will not survive.

If anyone takes from that that I say medicare is finished or done, I will say it again: Medicare is our most valuable social program. It needs support. It needs protection. It does not need U.S. style two tier changes. How many times must I say it?

There are two routes to travel in health care changes. Surely we know that health care changes must come but there are two routes to travel as I see it.

One route is to ration the procedures we do. That is avenue number one which we are on today, the rationing of services. We can ration by waiting in line. We can wait so long that we scream, or sadly in some cases, we can wait so long that we die. Rationing by waiting.

We can cap budgets and say that this is all we can afford. Anything beyond that point will not be done. We can have 30 operating room days instead of 100 operating room days. We can close beds. We can actually remove them from the system. It is being done. We can fire nurses and say to them: "You cannot do your nursing any longer. Step outside the system. Maybe you would be just fine as an accountant". That is one route and the one I am afraid we are on today, the rationing of services. I decry that and say it will not suffice.

Government Orders

The other route we can travel is if our medicare system does not meet the needs of an individual, they should have the choice to step beyond the public system and access something else. That is where we should go. Please remember that does not mean tossing our good public system away. It means our tax supported system will maintain itself, but if medicare does not meet the needs of an individual patient, they should be able to step outside. I can only explain this best by giving some examples.

A little girl by the name of Stephanie, a tiny patient, has adenoid problems and fluid in her ears. She is in pain. This is not a life threatening problem but she cannot hear as well as she would like. She is constantly concerned. She goes in to get her antibiotic and the specialist tells her parents that Stephanie really needs to have her adenoids removed and the fluid drained from her ears. Her parents ask the doctor how soon this can be done. It is an eight-month wait in Nepean for that procedure today.

• (1545)

Stephanie is not in the worst difficulty, but what happens for the eight months she has to wait? She is on antibiotic every three weeks, and the antibiotic cost is about \$40. There is actually some extra discomfort for her, so she misses play school. When she misses play school mom has to stay home from work or have a babysitter come in. Those things are economic, and I would set them aside and say that they are okay. But for Stephanie herself, the pain and disruption is there. Her parents ask what choice they have. The public medicare system is going to provide her service in eight months. Is there nothing that can be done? Yes, there is something a Nepean couple could do today. They could go to Rochester. They considered very carefully going to Rochester for their sweetheart to get her adenoids out.

There is another choice. I am sad to say that it does not exist in Ontario now. The choice is a little clinic in Alberta. This clinic is run by an ear, nose, and throat surgeon exactly of the same capability as hers. He got ticked off with the fact that the waiting list in Alberta was eight months. He said there had to be another way. There were not enough bed opening times for him to bring kids into the hospital. This is not a hard procedure. The facilities will cost him about \$30,000, and he can get the operating room microscope, which is not that difficult to sterilize. He could do it in his office with an anaesthetist and the equipment for that. He wondered if there was a demand for this.

Today in Alberta he is doing that. The cost is \$125 out of the patient's pocket. The waiting time is two weeks. Little Stephanie in pain is given the choice. This is what I want. I want Stephanie's parents to have the choice. If the public system and the eight-month wait is okay for Stephanie and okay for them, so be it. If they say that it is not acceptable to them, I want them desperately to be able to access that facility. And it should not be in Rochester; it should be in Ottawa.

Government Orders

If there is anyone in the Chamber who would deny that sweet little girl that choice, I want them to stand now. I cannot imagine a Canadian who would do that.

Thin edge of the wedge? Our public system cratering because of the potential of choice? Find me the country in this world that has a public system like Canada's and a complementary private clinic that has caused the public system to crater and I will sit down. There is no such country.

Let me take the other side of the coin now. My mother, who is living in Alberta, recently had a cataract operation. She had a choice. There is a clinic in Alberta that would do her cataract operation for \$1,250 out of pocket, with a very short waiting time of two weeks. The waiting time in the public system for her was four months. "Twelve hundred and fifty bucks, boy, that's a lot of loot", says my mom. "How bad are my eyes? Not so bad at all. I can still watch TV. I can still read the newspaper. I think I will wait. I think I can easily wait for four months." And she did. Her surgery was performed trouble free. This was a public system providing for her needs in the way it should.

• (1550)

If there is no demand in Canada for options outside medicare, there will be no such clinics springing up. Interesting enough, in a country I am familiar with, some of the private clinics, these choice clinics that have sprung up, have now gone bankrupt because the public system has become so efficient, provided all the services, and pushed them aside.

Why do Canadians not have more confidence in this most valuable social program to say that it will crater if some choice springs up? How is it that this most valuable social program would not survive if there were choice and if the only choice were to go to Europe? It makes no sense to me whatever.

I talked about how funding goes down because of debt. What happens if funding from the government drops so low that there is not enough in a community?

Tomorrow I am going to my twin riding of Saskatoon to speak to the law faculty. I have already had the opportunity of being there. I found out that in Saskatoon the provincial and federal funds have given them no capital expenditures for the last three years—none. They said they had some things the people in Saskatoon want, and they raised through foundations \$2 million—from corporations, individuals, and people who are involved in the health care field doing projects. They put those funds into capital improvements: equipment and new technology.

The public will not stand for an inferior product in health. Health is more important to Canadians than any other thing we have or we can give them.

I say again that the individuals in this country who will not debate this issue straight up with Reformers who are willing to talk openly about the cracks—not the explosions, not the breakdown, not a crisis, but cracks in our most valuable social program—are ideologically driven and not driven by care, not driven by health needs, and not driven by common sense.

I am going to end my discourse today by saying that medicare is our most valuable social program. The biggest threat to medicare in Canada is politicians who wrap themselves in some kind of a flag and will not truly address the issues.

[*Translation*]

The Acting Speaker (Mr. Kilger): We now move on to the next stage of the debate on Bill C-95. For the next five hours, members will have a maximum of 20 minutes to make speeches, and 10 minutes for questions or comments.

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, first, I want to congratulate the minister sponsoring this bill. She has strongly and successfully defended the principles championed for half a century by the Liberal Party, while developing Canada's health care system. Over the years, medicare was threatened many times, sometimes from one quarter, sometimes from another.

• (1555)

True to the tradition upheld by her illustrious predecessors, the minister has just repelled the most recent attacks on medicare, and all Canadians are grateful for that.

This Liberal government is proud, and deservedly so, of all the pioneers who saw to the proper development of medicare. Successive Liberal governments improved the system, so as to preserve its soundness and effectiveness. This is why Canada now enjoys a health care program that is second to none, both from a technical and a social standpoint. The quality of our health care remains unsurpassed. Equal access for all is also guaranteed to the fullest extent possible.

Social development is contingent upon health. A healthy nation is a productive nation. It can enjoy those things that make life worth living, it stands a better chance of being happy, and its people can build a strong nation.

One of the ever present challenges faced by the health department is to find which policies and programs can best contribute to the health and well-being of Canadians.

Without taking anything away from Canadian health professionals, I want to congratulate the Minister of Health and Health Canada for giving priority to essential programs such as disease prevention and health promotion.

Government Orders

In the past, preventive medicine meant things like vaccination, which practically eliminated afflictions like smallpox, diphtheria and poliomyelitis for previous generations. Today, sophisticated tests and equipment warn us about dangers and allow Canadians of all regions to add many years of good health to their lives.

Twenty years ago, a Liberal minister of Health, the hon. Marc Lalonde, published a working paper entitled *A New Perspective on the Health of Canadians* which was to have an impact on health systems across the world. It was a visionary document for the time. It is comforting to see that so many aspects of Mr. Lalonde's vision have been realized thanks to the department whose name we are discussing today.

Many fundamental elements of the health system we know today came out of the Lalonde paper. The preamble to the Canada Health Act which mentions the social, environmental and industrial causes of diseases was also inspired by that document. The causal factor model which the National Forum on Health is now studying also comes from the Lalonde working paper.

According to *A New Perspective on the Health of Canadians*, and I quote: "When the full impact of environment and lifestyle has been assessed, —there can be no doubt that the traditional view of equating the level of health in Canada with the availability of physicians and hospitals is inadequate". The document predicts appropriately that, to improve the health of Canadians in the future, we will have to clean up the environment, reduce risks we expose ourselves to, and improve our knowledge of human biology.

This is the source of the reasoning in favour of social well-being, which is at the heart of this new bill, as members will note. This is the source of the arguments against tobacco and excessive alcohol consumption, which underlie Health Canada's tobacco demand reduction strategy, and the activities of the Canadian Centre on Substance Abuse.

This is the source of the arguments in favour of health research, which are guiding Health Canada in its laboratory work, and the Medical Research Council in its operation; the latter does not report to the department but to Parliament through the health minister. This is the source of the argument that everyone is responsible for his or her own health and must keep sufficiently fit to ensure his or her own well-being. As the members are aware, responsibility for the promotion of physical fitness was given back to Health Canada.

• (1600)

From now on, it is incumbent upon the health department to encourage Canadians to stay physically active throughout their

lives because physical activity is essential to good health. Health Canada helps many organizations make physical activity more accessible and readily available to all Canadians in general and to the disabled in particular, because the latter are probably the ones who need it most and have to overcome the most obstacles in that regard.

With the reorganization of the health department—the main reason for introducing Bill C-95—another determining factor relating to the health of Canadians is being added to departmental operations. Product safety is now being transferred from the former Department of Consumer and Corporate Affairs to the Department of Health. Product safety does indeed come under the broader field of health protection. Accidents in the home and on the job are major causes of death and injury for people between 5 and 35 years of age. Because of such accidents, we have people who can no longer live a full life, economic losses and an increase in medical and hospital bills.

A lot of these accidents involve consumer and household products. Health Canada is responsible for the enforcement of the Hazardous Products Act. This act deals with the sale, the advertisement and the importation of certain hazardous products and ensures that consumers are well informed about the risks associated with the misuse of other products.

Before I conclude, I want to raise a point we seem to forget when we talk about what contributes to improve the health and welfare of Canadians. The provinces are, of course, responsible for providing health services to the public, but some health problems know no provincial boundaries. Their causes are deep-rooted in the social fabric of our nation.

For Canadians to enjoy good health, their basic needs must be met. They must have a job and a reasonable income and be able to care for their families. This is where the federal government plays an important part. It must help to maintain a viable economic structure so that these goals can be reached.

The Jobs and Growth government agenda will greatly contribute to improve the health of Canadians. We can expect positive economic results from the deficit reduction, which will help to improve the health of Canadians. We all stand behind Health Canada in this cause. These are the reasons why I wholeheartedly support Bill C-95.

[English]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I want to take this opportunity to comment on some of the things the hon. member for Macleod had to say in his speech. I notice the hon. member is not here.

The Acting Speaker (Mr. Kilger): I wish to remind the hon. parliamentary secretary that it is not within the norms of the rules of the House to make reference to the absence of any

Government Orders

member, particularly when we are all aware of the constraints put on our time at different periods.

Ms. Fry: I apologize, Mr. Speaker. I would like to comment on the statements of the hon. member for Macleod. With all due respect to William Shakespeare, methinks the hon. member doth protest too much in his speech when he continued to repeat over and over that the Reform Party did not mean to have a U.S. medical system, that the third party supported medicare.

The hon. member repeated this and repeated this to make a point. However, with respect, I would submit that rhetoric and repetition of words mean nothing when the actions following the words are supporting a two tier medicare system that would definitely dismantle Canadian medicare as we know it.

The hon. member spoke about waiting lists.

• (1605)

The Acting Speaker (Mr. Kilger): I seek some clarification from the hon. parliamentary secretary.

I recognize that the member for Macleod spoke prior to the last speaker who was a member of the government side and to whom the question and comment period is designated. I appreciate comment can be made about a previous speaker and then, in terms of relevancy, the member goes back to the intervention of the last spokesperson, the member for Pierrefonds—Dollard. I ask her to get to the comments of her colleague, the last speaker on the floor of the House.

Ms. Fry: Mr. Speaker, I would like to comment on medicare and on the way the system is to be restructured. It would deal, as my hon. colleague said just, with some of the structural changes that are necessary to move the system into the 21st century.

The cost of medicare and the changing of some of the ways that the system works, as I said in my speech and as the hon. member just reiterated, have to do with the fact that there are national concerns and a national interest in a new national Department of Health.

Research covers a broad spectrum. There are local areas of research and local areas of health promotion and prevention that must come from the provinces because they deal specifically with issues concerning regional problems, regional environmental issues, and regional and local differences that need to be addressed.

Across the spectrum there are broader issues concerning the whole spectrum of health facing all Canadians. It is efficient and effective for the federal government and for national health to take these issues into consideration. It is effective in that the data collection in one place creates a cost efficiency and a base where everyone can co-ordinate and use the information as they need it, rather than have duplication of service and duplication

of information gathering in 12 different areas such as would come about if we allowed each province and each territory to repeat, to duplicate and to reinvent the wheel. They would deal with the broader issues of health care, promotion and prevention that cut across provincial boundary lines and have nothing to do with specific regional and local interests.

There is a specific role for the Government of Canada in research, promotion and programs pertaining to low risk babies. It is common to all Canadians; it is not specific to any one province.

If we are talking about efficiencies and appropriateness of care and appropriateness of effort, we need to focus on them, and it is appropriate for the federal government to do so. It is more appropriate for the federal government to do it than for provinces, as I said before, to deal with it individually. When the ministers of health met in the past they all agreed that it was a very real role.

In terms of safety it is much easier as drugs, devices and foods come into the country for one agency to assess and to deem whether or not they are safe. Goods and services travel across the provinces and therefore go to every person as far away as Prince Edward Island and Vancouver Island. Therefore safety should be carried across Canada so that there is one level of safety and it is not spottily done in different areas of the country.

The national interest of health and the need for a national Department of Health are not intrusive. It is an appropriate way for the federal government to look after safety, health promotion and prevention.

[Translation]

The Acting Speaker (Mr. Kilger): I would only like to know if the hon. member for Pierrefonds—Dollard has any comment to add to those that were made on his speech.

The hon. member for Pierrefonds—Dollard has the floor.

Mr. Patry: Mr. Speaker, I thank the parliamentary secretary to the minister of Health. I submit that today's motion is very important because it is a positive move for health. New emphasis will be put on prevention and the department of Health will assume responsibility for certain regulations, like the one on hazardous products and other similar products, and also for fitness.

• (1610)

I personally think that the future of health in Canada is prevention. We talked a lot about health care, but before things get there, there is prevention. That is the objective of the bill and I am proud of it.

[English]

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, the hon. member is a physician. He listened very carefully to my colleague in the Reform Party make a very eloquent and, I might say, one of the best speeches I have heard

in the House. He listened to his recital of the tragic case of Stephanie. The member must have had many patients who endured terrible pain and suffering because essential services were not available to them since the Canada Health Act rationed essential services.

The Minister of Health has often said in the House that we must provide Canadians with access, access, access to essential health care services and that we in the Reform Party were espousing ideas that would somehow limit that access. How is access served better when we have increasing costs, an aging population and increasing demand? When demand on our limited resources is actually increasing, how will we provide individuals with access to essential health care services?

We want to amend, not destroy, the Canada Health Act to enable private clinics to exist and to enable private services to be provided to Canadians. Only private moneys would be exchanged in the private clinics. Not a single dollar of taxpayers' money would be spent in the clinics. We would have a system that provides for greater access for all Canadians regardless of the care than what they have now.

How will our plan somehow destroy health care in the country when we will give better access to all Canadians regardless of their income?

[*Translation*]

Mr. Patry: Mr. Speaker, what struck me in the speech made by the member from the Reform Party, before my colleague made his comments, is that he told the House that the Canadian health care system is one of the best if not the best in the world and that he did not want in any way a health care system based on the American model.

I think that having private clinics, as suggested by my colleague, would be the beginning of the end of our health care system as we know it in Canada and the birth of a two tier system, one for the rich and one for the poor.

I am well aware of cases like the one mentioned by the member for Macleod, the case of Stephanie. Such cases exist in every riding in this country, but I think that, at the present time, the provision of essential services is good. Of course, there is room for improvement in the area of essential services, and these improvements must be made through prevention. I think that, without prevention, we will have problems in the future. But prevention is an essential part of our government's vision of health care, and that is the direction we are going to take as we move toward the next millenium.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I rise today to speak to Bill C-95, an act to establish the Department of Health and to amend and repeal certain acts. To begin with, I feel I must remind my fellow citizens that health is a provincial jurisdiction.

Government Orders

Pursuant to subsections 92(7) and 92(16) of the Constitutional Act, 1867, and according to the way the courts have interpreted these provisions, it is clearly established and acknowledged that health and social services are exclusively a provincial jurisdiction.

• (1615)

Yet, federal interventions in matters of health are numerous and have been going on for a long time. As a matter of fact, since the beginning of this century, the federal government has passed the following acts concerning health: in 1919, the government established its own health department and gave its first grants; in 1948, the government launched a national health grants program; in 1957, it enacted the Hospital Insurance Act; in 1966, it enacted the Medical Care Act, and in 1984, the Canada Health Act which sets out the federal principles of the Canadian health system.

The Government of Quebec has always condemned the interventions of the federal government in matters of health. In 1926, the Taschereau government was the first to protest against federal interference in health issues. Since then, every Quebec government has done likewise.

As the years went by, all this intrusion by the federal government became increasingly expensive for the taxpayers of Canada and Quebec. Ottawa was able to be generous since it was paying its expenses with the provinces' money or with borrowed money. That is what put us all in debt.

I will remind members that, in World War II, the central government in Ottawa used the war effort as an excuse to encroach upon personal and corporation income taxes. Up to then, these taxes were collected exclusively by provinces. This supposedly temporary measure is still in effect today.

The federal government clearly gave in to the temptation to control more and more, without giving back to the provinces the tax powers they had before the war. It decided instead to grant subsidies, provided programs created by the Canadian government were implemented.

Such a control of tax revenues allowed the federal government to constantly centralize operations thereafter, which caused untold duplication and shameful waste of public funds. Worse still, to stay in office, several generations of federal politicians distributed gifts which created a burden of debt for future generations of Quebecers and Canadians.

At the present time, and despite the fact that it is clearly operating in a provincial area of jurisdiction, Health Canada looms large: its operating budget is more than \$1 billion in 1995-96, while transfer payments to the provinces are \$7 billion for the same year.

The federal government has never indicated that it intends to loosen its grip on the Canadian health system. Indeed, during the 1993 election campaign, the Liberal Party of Canada said in its red book, and I quote: "The role of the federal government should include the mobilization of effort to bring together Canada's wealth of talent and knowledge in the health care field.

Government Orders

This is a societal issue in which every Canadian has an interest. The federal government must provide the means to ensure that Canadians are involved and informed, and can understand the issues and the options”.

For once, the Liberal Party kept its promise. On June 29, despite the opposition of all the Canadian provinces, the Minister of Health announced the establishment of the National Forum on Health. The mandate of this forum was, first, to develop a vision of what the Canadian health system would be in the 21st century; second, to promote dialogue among Canadians and Canada about the health system; and third, to define the priorities for the future.

• (1620)

Jean Rochon, the Quebec minister of health and social services, wrote to the federal health minister on October 14, 1994, to remind her of this:

The mandate of this forum is an encroachment by the federal government in a field which essentially falls under provincial jurisdiction, and that is unacceptable. The clearly stated objective of your government, which is to give the forum a mandate to define future priorities, in the context of health care reform, and to define the means to that end, is a direct intrusion in provincial governments' affairs. This is something that cannot be hidden behind the consultative nature you ascribe to the recommendations that would come out of this forum.

Mr. Rochon further wrote that Quebec had not waited for federal leadership to adapt its health care system to today's needs and that he had already held major consultations with Quebec population.

The Quebec minister of health and social services reminded the federal minister that the cuts made in transfer payments to provinces with regard to health were not the best action a government could take to preserve and promote a health care system in Canada.

Those major cuts are a threat to the very principles advocated in the federal health act.

At the same time as the federal government was seeking to encroach on a provincial area of jurisdiction, it was unilaterally and drastically reducing its funding for health programs in the provinces of Canada.

In the spring of 1995, the National Council of Welfare, an organization whose role is to advise the health minister, warned her against such action and said: “It would be extremely hypocritical to reduce contributions to the provinces while raising the standards required of them”.

But that is exactly what the government is doing right now. We should recall that when the finance department created the so-called EPF program providing transfers to provinces for welfare, health and post-secondary education, it was agreed that

transfer payments would be indexed to the rate of growth of the Canadian economy.

Since 1986, however, the federal government has been cutting back constantly on those payments to reduce its deficit. It has been doing so unilaterally, without taking into consideration the provinces' capacity to pay. Between 1982 and 1995, it saved \$8 billion on medicare alone, at the expense of Quebecers. Because of this shortfall, Quebec had to raise taxes to offset the federal withdrawal from funding.

A study by the C.D. Howe Institute has shown that, while spending for established programs financing remained stable between 1988 and 1992, other federal program spending rose by 25.5 per cent. In other words, the federal government told the provinces they should tighten their belts while it went on spending freely and increasing its deficit.

The lack of stability in the federal contribution to medicare is a serious problem. Payments are frozen, reduced, or deindexed at the whim of the finance minister and his financing requirements. There is no longer an agreed upon financing formula. The amounts are set unilaterally and arbitrarily by the federal government, irrespective of the real costs of the provincial programs.

This constant variation in funding, always downward, has become a nightmare for everyone involved in the health field.

What is more serious is that the Minister of Finance appears oblivious to the fact that he is playing not only with columns of figures but with the health of the men and women of Quebec and of Canada.

• (1625)

Last February, in his last budget, the Minister of Finance chose to once again reduce transfers to the provinces for health. As a result, Quebec will have to absorb a shortfall of \$650 million for health and social services alone, in 1996-97, and 1.9 billion in 1997-98. One of the benefits of federalism, no doubt.

In the spring of 1995, the National Council of Welfare made the following comment on the planned cuts to funding Canada's health programs: “The projects announced in this budget—would have the probable consequence of bringing about the dismantling of a national system—of social services it took us a generation to build up”.

The Minister of Health for British Columbia had the following to say about these cuts:

[English]

“Last February's budget which cut transfers to provinces for health—has forced provinces to look at unpalatable cuts that threaten medicare”.

*Government Orders**[Translation]*

If the Canadian health system were really so dear to the heart of the Minister of Health for Canada, she would have followed the lead of her colleague from Notre-Dame-de-Grâce and opposed her government's last budget, which attacked social programs. She would have stood up at the cabinet meetings where these decisions were made, and would have held up against the Minister of Finance's figures the pressing needs of the Canadian people for quality health care. The Minister of Health could have suggested that the government seek its resources from the rich, with their numerous tax shelters, starting with the list of the generous bankrollers of the Liberal Party, and not forgetting the Minister of Finance's companies.

But that is not what she is doing. Today, she introduced a bill that perpetuates the federal government's control of health care, an area over which the provinces have exclusive jurisdiction. Paragraph (2)(a) and paragraph (2)(b) of clause 4 could easily be used by the federal government to interfere even more with the administration of health care in Canada.

The bill before the House today is hypocritical to the point that in clause 12 we read, and I quote:

Nothing in this Act or the regulations authorizes the Minister or any officer or employee of the Department to exercise any jurisdiction or control over any health authority operating under the laws of any province.

When as a result of its budget cuts, the federal government drastically reduces funding for health care in the provinces, it affects the way authorities operating under the laws of a province function by reducing their capacity to maintain a level of services commensurate with the needs of the citizens of Quebec and Canada.

The Bloc Québécois condemns this bill because it sanctions federal encroachment on provincial jurisdictions. Quebec has its priorities in the health care sector and should have the right to manage those priorities, in accordance with the present Constitution. This bill does not mention providing adequate and stable funding for health care. The minister has abdicated her responsibility in this respect and bowed to the imperatives of the Minister of Finance.

This bill constitutes an attack on the provinces while failing to deal with any of the pressing problems of the health care sector, so much so that even the most ardent federalists have decided to fight the initiatives of the Minister of Health.

The Ontario Health Minister, Conservative Jim Wilson, stated on September 19 that it was necessary to fight the federal government's insistence on dictating to the provinces its interpretation of the principles that should be the foundation of the health care system, and I quote:

[English]

"The federal government should be fought on principle for dictating its interpretation of medicare to the provinces".

[Translation]

That same day, Ralph Klein, the Conservative Premier of Alberta, also condemned the federal government's lack of flexibility, and I quote:

[English]

"Marleau—does not send a good signal to Quebec. It says there is no flexibility within the Confederation".

[Translation]

In a joint press release after a meeting of Health ministers, the provinces declared that the federal government's insistence on making unilateral decisions on health care funding, on interpreting standards or setting arbitrary deadlines for consultations was not helpful at all.

- (1630)

Since the federal government is unable to provide adequate safeguards for the health of Quebecers and Canadians, since continuing cuts are the main threat to the health of Quebecers and Canadians, the federal government should withdraw from the health care sector and transfer to the provinces the fiscal resources that would enable them to do the federal government's job far more successfully.

[English]

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, I did enjoy the hon. member's comments. I wish I could speak fluently enough in the beautiful French language, but I must speak in English. I am not good enough yet to carry on detailed conversations in French.

In health care, the needs of the people of Quebec are the same as those of the people in my province of Nova Scotia. All of the provinces have serious deficit situations and we have had to begin dealing with deficit reduction. I remind the hon. member that the province of Quebec has not attempted to reduce its deficit as the other provinces have done. This is a major concern in dealing with health care.

Another variant which occurs in the health care system is that some provinces give credence to many health care needs. For example, some of the provinces consider cosmetic surgery part of the health care program. Through the years in Nova Scotia we have had more than basic coverage in programs such as dental care for children, an excellent program covering dental care up to the age of 16.

What has happened under the broad umbrella of health care is the provinces have added on things encompassing more than basic health care. They cannot afford them. We have heard

Government Orders

recently that Quebec must close some 25 hospitals. This is not due to the federal government's cutbacks. This is due to the overspending and the additional encompassing programs which have come under health care.

What the federal government wants, and I ask the hon. member if this is not her desire too, is to preserve the health care programs for all Canadians as to basic needs, so that this is a very unifying factor for this country. Without the strong federalist approach to the health care needs, we will miss out.

[*Translation*]

Mrs. Tremblay (Rimouski—Témiscouata): Mr. Speaker, I would like to remind my colleague of a few things. First of all, I thank her for her question and comments. I wish to remind her that, between 1988 and 1992, established programs financing remained stagnant. Meanwhile, the federal government wasted money on other programs, resulting in a 25.5 per cent cost increase.

So when they tell me that we must cut because of the deficit, I say we must start by cutting waste in defence spending, among other things.

Mr. Milliken: Ah, yes. The same old tune.

Mrs. Tremblay (Rimouski—Témiscouata): Funding for health care programs remained stagnant from 1988 to 1992.

Mr. Milliken: You must calm down.

Mrs. Tremblay (Rimouski—Témiscouata): Let me speak, you, the hon. member across the way.

The Acting Speaker (Mr. Kilger): Order. I simply wish to remind my colleagues from both sides of the House that they must always address their comments to the Chair. I think that members would even then be able to express themselves as forcefully as they need to. They must, however, always remember to address their comments to the Chair.

Mrs. Tremblay (Rimouski—Témiscouata): Mr. Speaker, fair enough, thank you for reminding me. Before saying what she said about Quebec, my colleague should get her facts straight. Quebec has made major changes to its health program.

• (1635)

Quebec may even have lost the referendum because of these. One of the reasons why we lost the referendum may be the Rochon reform. So we made major changes in the area of health. Of course, Quebec provides health services that are not available in other provinces. For example, women can have access to abortion if they want to; other provinces do not offer this service. We have moved toward ambulatory care and reduced hospitalization time considerably. We have closed hospitals. We have modified the functions performed and services provided by

some hospitals; some day hospitals now provide long term care and inpatient services.

So before looking at what is happening in the neighbour's backyard, I would invite the hon. member to look at her own province where, on the eve of the referendum, the Minister of Finance said he would no longer be able to control his finances if Quebec separated from Canada.

[*English*]

Ms. Hedy Fry (Parliamentary Secretary to Minister of Health, Lib.): Mr. Speaker, I want first to make a few comments on the hon. member's speech and then ask her a question.

The hon. member gave us a wonderful history of what has happened since 1919. At the end of that history, the hon. member mentioned it culminated in what we now know as Canadian medicare, which I hasten to say was enacted by a Liberal prime minister.

That medicare we know benefits all Canadians, including Quebecers. It is also the envy of the world. Every single survey and study that has been done has shown that 89 per cent of Canadians in every province, including the province of Quebec, believe it is something they would like to keep. It is important to them as Canadians. It is the most important thing we can possess as a country. In fact medicare and this history lesson led to something which is very positive and which Canadians still hold very dearly.

I also want to speak about the member's comment on the encroachment of the national health forum on provincial jurisdictions.

The forum is made up of members from every province, including the province of Quebec. The forum is made up of members of the public. It is not made up of people from government.

Perhaps the member could tell me whether she believes that the Canadian government does not have the right to speak to Canadian people in every province, which is what the forum is doing. The forum is not changing anything; the forum is having a dialogue with ordinary Canadians. Can the Canadian government not speak with ordinary Canadians? Something we promised in our red book was the ability to speak and to get input from Canadians, from real people and not just from government.

The hon. member speaks of cuts and interference in provincial jurisdictions. Health Canada's authority with regard to the Canada Health Act and with regard to medicare is a contractual one. The Canadian government signs a contract with provinces to receive money from the federal government. In turn, those provinces agree to the conditions based on getting that money.

The provinces do not have to accept any conditions, but then they cannot also accept the money because on a contract both

sides have an agreement. One side agrees to give money and the other side agrees to abide by certain terms. That is clearly what provinces do when they sign the contract.

Finally, the hon. member spoke of how cuts are affecting the provincial government's ability to provide services in Quebec. The Quebec government has a budget of \$13.4 billion for health for 1995-96. That government made a cut of \$565 million to its health care budget well before the federal government presented its cuts for 1996-97 within the Canada health transfers.

I ask the hon. member, why did her province's government make those cuts if it really needed money in the system? Why were there \$565 million in cuts when the hon. member says that Quebec's health care system needs more money?

• (1640)

[Translation]

Mrs. Tremblay (Rimouski—Témiscouata): Still, Mr. Speaker, it is a sad day when you hear the kind of things we are hearing in this House. Attempts were made to convince the people of Quebec that there are no benefits to belonging to the Canadian confederation and, every day since we reconvened, evidence of a total lack of understanding of what is going on in this country has been building up. People are blind. Politicians are blind.

We are criticized, on the one hand, for not making cuts, and on the other hand, for making cuts too soon. I think that our government acted responsibly. An overhaul was required in the health care system, because funding cuts are expected. Shortfalls of \$650 million one year and \$1.9 billion the next year add up to nearly \$2.5 billion over two years. It seems to me that the thing to do for a responsible government is to plan ahead. But where I find fault with this government across the way is when it decides to stop paying but wants to keep controlling everything anyway.

When I was young and lived at home, I lived by the rules my father had set because he was providing me with room and board. But when I moved into my own apartment and had my own money, I lived by my own rules.

When you stop paying, you lose the right to tell others what to do with their money. You have no right stealing a jurisdiction away from others and telling them: "Its is yours, but we can do what we want with it." So little sensitivity and understanding and so much arrogance, contempt and affront coming from you, Sir, is unacceptable, under the present circumstances. We have had it.

[English]

The Acting Speaker (Mr. Kilger): Before proceeding with the debate on Bill C-95 I would simply ask colleagues in the House on both sides that we continue this debate in a respectful

Government Orders

fashion. We had all hoped and set out to do that with great commitment when we first came to this House following the last federal election which brought us here together to this House of Commons in this 35th Parliament.

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, I am going to support Bill C-95. The Department of Health is very important. It is the department of drug certification, the department of product safety and the department of health act enforcement. It is the department of defence against disease, that common enemy of all Canadians.

From time to time hon. opposition members have criticized the Department of Health. They say it spends too much money. I say it is money wisely spent and not at all more than its responsibilities require. Consider the array of vital activity the Department of Health supports under its mission to help the people of Canada maintain and improve their health.

• (1645)

Health Canada plays a major role in protecting the health of Canadians. This House has been preoccupied with paring back for some time, but hon. members know very well that certain demands on the system will not go away simply because budgets are cut.

Health threats allow no fiscal restraint. It is a challenge of the Department of Health to maintain an infrastructure that guarantees quality health care to Canadians in good times as well as in bad.

More than 2,000 people work in the department to protect the health of Canadians by regulating goods and services mostly under the Food and Drugs Act, but also under the air and water legislation.

Health Canada has an environmental responsibility to manage chemical and radiological hazards. Each year a way must be found and the resources must be provided to review 1,000 new medical devices before they reach the market.

Health Canada prevents or regulates the sale and advertising of dangerous products and warns consumers about those in circulation. With everything else on their minds, people do not want to be worried about those details in their daily lives. The department helps take that worry away.

Product safety is part of the larger picture in maintaining health. Accidents in the home and at work are a major cause of death and disability between the ages of 5 and 35, causing not only the loss of enjoyment of life but economic loss and heavy medical and hospital expenses.

Each year thousands of field inspections, almost 3,000 last year, are carried out among food and drug establishments. Each inspection leads to an average of five analyses of food, drug and medical devices, some 14,000 last year. The department is responsible for the nutritional quality of food, for making sure

Government Orders

that additives, agricultural chemicals and processing methods are safe.

In 1994 more than 77,000 tests of suspected illicit drugs were carried out. Health Canada administers the Narcotic Control Act. It also works to ensure that drug products which may be effective when used one way do not pose unacceptable risks in another way. All pharmaceuticals in use in Canada must be certified by the department. A revised drug certification renewal process is designed to improve protection of consumers and to increase their access to important new drugs.

Over the past year, investigations were conducted into 20 outbreaks of disease including TB, cholera, hepatitis B, hanta virus and the hamburger disease. We do not know enough yet about some emerging infections to be able to prevent or control them. Radio, television and the press report to Canadians every day on the gaps in our ability to track threats such as drug resistant bacteria and those surfacing viruses. The public is more knowledgeable than ever in history.

Health intelligence is shorthand for pooling awareness, information and understanding of health problems and approaches among various jurisdictions and health sector partners.

• (1650)

The Department of Health's laboratory centre for disease control is now strengthening Canada's health intelligence network. This initiative, which will include participation in a new global network designed to detect emerging diseases, is endorsed by the provincial governments. The provinces know that national leadership in this area is essential if we are to make the most cost effective choices among all available health technologies and options.

The path to the government's objective of getting more value for every dollar spent on health is paved by preventing illness before it starts and by promoting healthy living. Each dollar that goes to prevent ill health saves tens of hundreds of thousands of dollars in treatment costs.

Health intelligence is one of the tools used within the department to address perplexing and persistent issues, such as mental health, cancer, AIDS, family violence, heart and lung disease, and prenatal deprivation. The department supports research to determine what will enhance health. It then promotes these activities by education and awareness campaigns and by developing infrastructure and programs.

For instance, the department is at the penetrating point of a network of government programs for children. The clear understanding is that the future of children depends on critical input during the first year of life.

The government as a whole directs more than \$15 billion annually to Canadian children and their families to support health and development. Health Canada provides a wide range of programs for children at risk of abuse or injury, social or physical diseases. This year its child development initiative includes a ground breaking childhood cancer information system and strategies to address children's mental health.

Hon. members have heard of the department's prenatal nutrition program to reduce the tragedy of infant disability due to poorly nourished mothers. This is a comprehensive effort that includes diet supplements as well as counselling in nutrition and lifestyle issues such as smoking, substance abuse, stress and family violence.

As we come to pass from one century to the next, we might reflect that when our great grandparents witnessed the last such passage, their average lifespan and that of their friends was many years less than ours. As recently as the 1930s the average lifespan of a Canadian male at birth was only 60 years. A baby boy born today can expect to live at least 25 per cent longer, the equivalent of an extra week per month, or 13 weeks annually, or 15 years of extra life. A female baby's longevity has been extended by 18 years.

Better nutrition, better housing, better working conditions, and better sanitation have been major contributing factors to our better health and longer lives. Also there are marvels of human ingenuity applied to the field of health. The cholera and typhus that assailed our ancestors was controlled. Our children were defended against smallpox, diphtheria and polio by simple vaccination. We learned to deal pre-emptively with the ravages of syphilis and tuberculosis. In each we triumphed. We spared thousands of lives and prevented a huge loss to the productive capability of this nation. Billions of dollars have been saved in the cost of care.

• (1655)

The federal government spends many millions of dollars each year on health research and makes it available to all provinces, all hospitals and all doctors throughout Canada. The outcome of this research saves the lives of Canadians.

The unfortunate reality is that illness still exists. Diseases afflict us unpredictably and haphazardly. Most illnesses, especially the major ones, are blind accidents. We are only able to deal with them after they have made an appearance. We must use the methods of medical care for this.

In Canada fortunately, disease is not made twice tragic by having a sick person bear the cost of the treatment. Expenses are paid in full by Canada's comprehensive and universal medical insurance programs which pay family physician and specialist fees as well as the charges for tests, radiotherapy, chemotherapy,

surgery and hospitalization, any or all that are required. This system is a source of deep national pride.

Patients in some provinces were asked to pay the difference between what health care providers were charging and what their provincial health plan would pay. This practice became known as user charges. As well, some doctors were billing patients over and above the provincially approved rates. Extra billing and user fees were a serious threat to our national medicare system.

To stop this erosion the Liberal government of the day instituted the Canada Health Act in 1984. This established in law the five principles on which the system remains supported. Everyone is covered for all medical necessities. Access to care is on an equal basis. Coverage is portable among provinces. Administration and payments are handled by the public sector. It is this act which still governs the health care system that has evolved in Canada and which is the best health care system in the world.

It is the Department of Health that administers and enforces this act, this cornerstone of Canadian cohesion. It is this bill, Bill C-95, that positions the department even more surely to discharge its responsibilities so essential to our national interest. It is therefore my intention to vote for its passage which I trust will be swift.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I listened with interest to the member's speech. At one point in his speech he made the comment that sickness in Canada is not made tragic because the system pays for everything. I would like to tell a short story and ask a question of the member about that very aspect.

In 1989 a man I know noticed some blood in his stool so he went along to the doctor. The doctor said it looked pretty serious and that he would have to book the man in to see a specialist. It was going to take six weeks to see the specialist in Vancouver. That is not uncommon. Anybody who has been to a doctor and has had to go to a specialist knows that sort of waiting list is common in Canada. The man said to the doctor: "I am not prepared to wait six weeks for something that could be life or death. Give me the name of someone I can see in the United States because when it comes to life and death, I am prepared to pay".

The doctor said he would see what strings he could pull. The doctor pulled some strings and voilà, in two days the man suddenly received attention. It was not because it was fair that he jumped to the front of the line but because he made a lot of noise about it. He visits the specialist and the specialist says: "You really need an MRI to determine exactly the extent of the problem. It is going to take 10 weeks to get you an MRI at St.

Government Orders

Paul's Hospital in Vancouver because there is not enough money to run it. It can only do five scans a day and only one of those is for anything other than cranial scans". If one has a cat that is sick they can take it to the MRI after hours and it can be scanned. A person can pay for their cat to be scanned but they cannot pay.

• (1700)

This person said: "I'm not prepared to wait 10 weeks for an MRI. Give me the name of a place in the United States". The doctor said: "Okay, if you go down to Bellingham, St. Joseph's Hospital can do it for you. Let me call and make the arrangements". He called up and the man was offered an appointment the very next day, not 10 weeks, the very next day.

The man decided it was a little inconvenient the next day so went two days later. He was treated like a client, not a number. He was shown into the hospital. He was not even asked whether he could pay or not.

I know this is the truth because it was me. The man was not even asked if he could pay. He was invited into the hospital. He had his test. He had the MRI. The doctor said to him: "If you will have lunch and a cup of coffee, in two hours come back and we will have the report written up and all the pictures for you".

I had my entire tests done and was back in Vancouver in four hours with the results that would have taken 10 weeks.

The worse thing about that whole exercise was when everything had been done, and I had been given the package, they said: "How are you going to pay for this?" I had to pay \$1,000 U.S. to St. Joseph's Hospital in Bellingham when I would rather have paid it to St. Paul's Hospital in Vancouver.

What sort of a stupid system is this? This is not rich and poor. It is life and death.

When the member says that the Canadian system does not make sickness tragic he should think a bit more about real cases. It is real. Luckily I had the choice to go across the border and pay \$1,000 U.S. to save my life. The sick, despicable system that the government continues to support would have resulted in my death because of the waiting lists and no choice.

All that the Reform Party wants in the health care system is choice. That is all it is. It is not to deprive anybody of anything. If I had been able to spend that \$1,000 at St. Paul's Hospital in Vancouver I would have subsidized an MRI for somebody else who could not afford to pay. That is the principle.

That is why the eye clinics in Alberta work so well. That is why the waiting lists are down. The people who have a little extra money and are prepared to go some other place reduce the waiting lists.

I would like to hear the member's comments about that and why he would support a system that would have resulted in my death.

Government Orders

Mr. Culbert: Mr. Speaker, I am delighted to attempt to reply to the hon. member's statement and possibly a question.

He called the greatest health care system in the world, that is admired by citizens in every country throughout the world, a stupid system. Yet it is based on not how many dollars you have got in your pocket, but on need.

The hon. member did not go on. I see him moving out now—

The Acting Speaker (Mr. Kilger): Order. I would like to remind colleagues that we are not to refer, reflect or certainly not mention the absence of any member in the Chamber at any time.

Mr. Culbert: Thank you, Mr. Speaker, for reminding me of that. It is a usual courtesy that when one asks a question to wait around and hear the answer.

I am amazed that the hon. member would prefer the system of our good friends in the United States where there are literally millions of people who have no health care. We have all heard the horror stories of their losing a lifetime of savings, losing their homes as a result of a health problem some time during their lives. I am sure the hon. member was not suggesting that we should look at that type of system for Canada.

The principles that were put in place were put there to protect the health care of all Canadians so that all Canadians would be treated equally.

I would suggest to the hon. member that if his situation, to which he referred, was an emergency situation, most hospitals that I have been involved with over the years—I served on a hospital board for some 15 years—always set aside time both in their outpatients, in their emergency rooms and in their OR for emergency situations. They also schedule those selective procedures that have to be done. Some may be in day surgery, some may be a little more serious and take more time.

The world is not perfect in each and every hospital, but in the situation the hon. member describes that certainly his doctor—I am not being critical of his doctor—should have interceded on his behalf if indeed it were an emergency situation and obtained the OR time or the day surgery time and made sure that it was scheduled. There was some responsibility there.

• (1705)

We have the greatest health care system in the world. We see this on a daily basis. However, there is always room for improvement, which is exactly what we are doing. We are trying to work with the provinces to avoid those areas of duplication and to assist in putting together a better program.

The provincial health care ministers are trying to develop a better program that will continue to evolve and improve in order

to make it even better than it is today. I suggest that it takes all the health care practitioners working to improve the program and maintain those principles who have made the health care program in Canada envied throughout the world.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Kilger): We have approximately two minutes left in the question and comment period. I would ask the hon. member for his co-operation that I might also give the member for Carleton—Charlotte equal time to respond.

Mr. White (North Vancouver): Mr. Speaker, I will give him time to respond. I thank him for giving me the opportunity to say that no, I do not support a United States style health care system. Neither does anyone else in the Reform Party.

Reform members have made it very clear that we support medicare plus which is a lot different. Sweden uses a similar system. I can also give an example from New Zealand of my 82-year old mother who needed a cataract operation. The waiting list in the public system was years. If a person is 82 and has to wait six years, then what? Since there is a choice down there she paid a couple of thousand dollars to have one of her eyes done. So many seniors did the same thing that the waiting list came down. When she went for her second operation she had it done within the public system and it only took two weeks. The waiting list vanished within a very short period of time.

We do not support a U.S. system. We support choice in addition to the present medicare, common sense.

The Acting Speaker (Mr. Kilger): I thank the hon. member for his co-operation. I would ask the same from the hon. member for Carleton—Charlotte.

Mr. Culbert: Mr. Speaker, indeed I will respect your wishes. I am pleased to hear that the hon. member and his colleagues support the health care system we have in Canada. I cannot speak at great length about the system that might be in place in New Zealand to which I believe he referred. I do not have any expertise in that area so I will not refer to that part.

However, I do know, and I have seen it personally over many years, of the benefits of the medicare system in our country. Yes, we can improve it. Yes, we should continue to work toward improving it and making it even better. It is a system that has been admired throughout the world and we should continue to promote and protect it for years to come.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, before I begin I would like to commend my hon. colleague from North Vancouver because he laid bare in the House a personal health care matter. I say to the people across the way who have been heckling him that if he had not gone

down to the United States he would be dead today. It is a very real example of how our health care system failed him as it fails other Canadians from coast to coast. The reason why he was able to have a life saving operation in the United States was that he had the money. That is what the government is preserving today. It is preserving a system that enables the rich to get better health care than the poor.

• (1710)

Today we are dealing with Bill C-95, an act to establish the Department of Health. It is a housekeeping bill, a bill of wordsmithing, a bill that changes words, a bill that does not have anything to do with devolution of powers, nothing to do with personnel changes, nothing to do with any vision to save health care in this country; health care I might add that is in critical condition and needs emergency help.

It is profoundly tragic that we have this bill in front of us. In the last two years the Minister of Health has yet to put a single piece of legislation on the table to amend and improve health care for Canadians, Bill C-7 notwithstanding, which did not come from her department but came from another source.

The minister keeps on saying that we do not have a problem, that we are moving toward reorganization. She claims that Reform members are in favour of a system that prevents access for the poor. The problem is access. Canadians are not getting access to essential health care services from coast to coast. That is the problem. The government is defending a health care system that is crumbling from within.

I will give a little background. When the Canada Health Act was written in 1984, the people who wrote it with very noble intentions simply could not envision the increasing costs, the increasing demands and the changing demographics of an aging population. That was not envisioned. Today we are using a health act organized over a decade ago to deal with problems that did not exist then. Therefore we see the failure that the Canada Health Act has in trying to address the problems that we have today.

If we continue to pursue the course we are on now we will not have a health care system in this country. We will only see people suffering to varying degrees. Those who will suffer the most are those who are the poorest. I will give an example.

Operating rooms are closing across the country. They are closing because hospitals have to save costs. However, waiting lists are increasing. In the hospital in British Columbia where I worked patients decided to have their own blood transfused and banked for operations in case they needed it. It cost the patient \$125. The Minister of Health in British Columbia, Mr. Ramsey said: "No, you can't do that because it contravenes the Canada Health Act". One month later we had an acute blood shortage in British Columbia.

Government Orders

I had patients with fractured hips, bleeding to death, with low haemoglobins and no blood was available. If the province had allowed the autologous blood transfusions we would not have had that problem. Is that access? I hardly think so.

In Victoria the wait for radiation therapy for prostate cancer is 16 months. What happens? Patients are sent down to Washington state where an entire industry has grown to serve Canadians. Is that Canadian access?

People with carpal disorder in the wrists have to wait six months before they have surgery. They are off work six months. This surgery could be done in a private clinic within two weeks. Is that access?

Imagine one of your grandparents needs a hip transplant, Mr. Speaker, and is in severe pain. If they live in British Columbia, 40 per cent will wait over 13 months to get that hip replaced and all of that time they are in pain. Is that access? Not at all.

The health care system is falling apart. To get around this, those who are rich go down to the United States for their health care needs. The politicians in this government say that the Canada Health Act is sacrosanct. They say: "We the government are defenders of the health care for all Canadians because we want to ensure that they have access, because we don't want those terrible Reformers amending the Canada Health Act and having an American style system that enables only the rich to have access while the poor suffer". That is the complete opposite to what we have.

• (1715)

My colleagues and I never got involved in this matter to destroy health care. We saw the suffering occurring in emergency rooms in hospitals across the country. We got involved to save health care. We recognize there is a problem. We do not want to destroy health care. We got involved to amend the Canada Health Act to ensure that all Canadians, regardless of income, have their health care services performed in a timely fashion. My colleagues and I have given examples to indicate that is simply not occurring.

We have proposed a system that would amend the Canada Health Act to allow for private clinics. Basically people could pay money to a private clinic for health care services. Not a single penny of the taxpayers' money would go into the system. Is it an unequal system? Yes, it is. However, is it not better to have an unequal system with better access for all people than the relatively similar access we have today that provides for declining access for all Canadians. In the present system the rich can go to the United States for their health care services while those in Canada suffer and die.

In Toronto, where I trained, the waiting list for coronary artery bypass grafting is seven months. People are dying waiting for bypass surgery. I know a similar example happened in 1986 when I was finishing my training in British Columbia where

Government Orders

men and women in their fifties were dying waiting for bypass surgery in Vancouver. That is not access.

We have declining funds and increasing demands, but caught in the middle is the most important element of all, the patients who are sick, scared and worried. Their families are worried and scared. At a time of their greatest need our health care system may fail them. That is not what we want. That is not what Canadians want. That is not what the government wants. That is certainly not what the Reform Party wants.

I implore the Minister of Health and the government to stop the political rhetoric. Let us move away from political posturing. Let us work together to build a new Canada Health Act that enables all Canadians from coast to coast to obtain their health care services in a timely fashion. We want to protect medicare, not destroy it.

We cannot sacrifice, as my hon. colleague from Macleod said, the most important social program we have today, the health care system. We simply cannot let that program, which is a defining characteristic of Canada, disappear. We must preserve it because it is the most valuable thing each and every one of us have as individuals.

As an aside I ask the hon. minister to look at some interesting work being done by one of the greatest minds in the country, Dr. Fraser Mustard. In Toronto he looked at the determinants of health care. He has a new vision with respect to health care. The determinants of health care are somewhat different from what we have seen in the past. A investment in the early development of children will pay Canadian society in many aspects in the long run.

I implore the minister to look at the work this man has done because it is ground breaking and something we can incorporate federally and provincially into the health care programs that exist today.

The government also needs a fiscal plan. As we unfortunately saw about six weeks ago, the IMF downgraded us by 50 per cent, saying very clearly to the Minister of Finance that if we do not get a plan to decrease the debt Canada would be in very serious and dire straits. We can read into it that our social programs will be in dire straits. Nobody in the House wants to see that. We want to preserve them in a financially sustainable fashion. Health care will suffer the same blows as all other social programs. Unfortunately sick people are the ones who will suffer.

• (1720)

I implore the hon. Minister of Health to speak to the Minister of Finance and other cabinet ministers to look at our zero in three plan and utilize aspects of it to put our fiscal house in order.

One of my colleagues said today that rather than amending the Canada Health Act we need to look to preventive measures. That is all well and true. However, will prevention lower taxes on tobacco? Is prevention cutting the tobacco reduction strategy by 50 per cent? Is prevention putting legislation programs and plans in place that are actually increasing tobacco consumption, especially among the youth, by 10 per cent or 15 per cent.

Mr. Thompson: Liberal prevention.

Mr. Martin (Esquimalt—Juan de Fuca): That is right. The government is talking prevention out of one side of its mouth. On the other hand it is causing hundreds of thousands of youths to take up tobacco smoking and will cause between 40,000 and 200,000 premature deaths over the next 20 or 30 years. That is not prevention.

If the government had enacted sensible solutions with respect to tobacco, we could accept it and work with it. I cannot accept talking about prevention on the one hand as a solution to health care problems, while on the other hand lowering tobacco taxes and decreasing the tobacco reduction strategy. That simply does not make sense.

I implore the government to work with us to amend the Canada Health Act so that medicare can provide essential services to Canadians from coast to coast. It must also realize that we have a problem. Pedantic statements about preventive health care, saying that somehow we will build greater efficiencies into the system and quoting laparoscopic surgery as the panacea for health care cost control will not work. It will take more radical, thoughtful, sensitive changes for all Canadians to have their health care needs met.

It disturbs me greatly that members of the House across the way accuse us of wanting an American style health care system. They accuse us of saying that what is in our pockets when we need health care services is what matters. We deplore that. It is anathema to us and we will fight against those types of attitudes every way we can. In my estimation as a physician we are the only party in the House putting forward a plan to save not only health care but all our social programs.

If we can put aside the political rhetoric and work together to build strong and sustainable health care and social programs, we can build a better country for all Canadians. We are building the country for Canadians from coast to coast. We are particularly preserving health care programs for those most in need.

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, I have been waiting here all day; there is nothing closer to my heart than work and health care.

I was fortunate at 12.30 today to listen to the great American fighter, Ralph Nader, talk about health care to the nurses association. He said that in the United States of America some 80,000 people died in hospital due to malpractice. That is more

people than those killed by accidents and those killed by homicides. His contention was that it was malpractice and that some doctors in their system were actually operating on Americans who had no disease at all.

• (1725)

We hear a lot about systems in the world. Mr. Nader said, and I think the parliamentary secretary from Vancouver Centre said it as well, that our system rates between one and three in the world. There is no question about that. Mr. Nader also mentioned that some 38 million Americans do not have any health care. He said the longest waiting line in the world is for those with no health care at all.

Our friends opposite talk about having a two tier system. I want to cover that point. We have a \$72 billion pot of money. What happens if we start to shift the money over? Profit will motivate many people such as insurance companies. Most doctors are very good. I would not say anything against them because many of my friends are doctors. They follow the Hippocratic oath. They are well versed, Christian and want to help people. However, there is the occasional doctor who looks at the balance sheet.

I got a pile of books from a friend in Los Angeles on their medicare system. They talk about waiting lines as if there is a panacea in the United States. There are many scam artists in the United States. They go for capitation. If five doctors each have 1,500 patients and each patient pays about \$200 a month, it amounts to a pile of money. A patient can select one of the five doctors. However if the doctor sends too many people for CAT scans and various other expensive procedures he is called before a procedure committee and the patients are stacked up.

There are no easy answers. Our system is good. It needs to be fixed. We cannot legislate against stupidity or when people do not do things right. If there is a waiting line for hip fractures I am sure the hospital board will allocate enough resources to shorten the line.

How does my friend from Esquimalt—Juan de Fuca envisage this two tier system? When people are sick and cannot pay for services we end up with a two tier system. The doctor says he will see the patient in the clinic across the street at night because there is not enough money in the system. That is what happens in a two tier system.

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I am glad the hon. member raised a couple of points. He illustrated the salient misunderstanding of health care on the part of the government.

He spoke about taking part of the \$72 billion and putting it into a private clinic system. That is what we are opposed to. Not a single penny of public moneys, not a single penny of taxpayers' dollars, will go into a private system.

Private Members' Business

When people are in the private system they have actually left the public system and are spending their own money. They are still contributing through their taxes to the public system and therefore the pot of money in the public system will be preserved.

Because the numbers of people on waiting lists in the public system will decrease there will be a greater amount of money on a per capita basis in the public system, which will provide for greater access and better equipment.

Another point the member raised was that if hospitals saw an urgent need for something they would find the resources or the money. The problem is that they do not have the resources. They are rationing all manner of services and are not getting access together. We have an opportunity not to duplicate any other system in the world but to enable an excellent system to continue to be excellent. We can do that by making the changes necessary to preserve publicly funded medicare in this country through amendments to the Canada Health Act. If we do not do that, we will not have a health act in this country. We will not have publicly funded health care access to people in this country in a timely fashion. That is going to be the tragedy if we continue on our present course.

The Speaker: My colleagues, 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]

“ON TO OTTAWA” TREK

Mr. Simon de Jong (Regina—Qu'Appelle, NDP) moved:

That, in the opinion of this House, the government, on this 60th anniversary of the “On to Ottawa” Trek, should offer an unequivocal and official apology for the government of the day having perpetuated the following:

(1) having caused, through the use of violence as administered by the combined police forces of the Regina City Police and the RCMP the termination of the trek in Regina, Saskatchewan on July 1, 1935, with attendant loss of life, injury and imprisonment;

(2) having contributed to, rather than detracted from the plight of the unemployed by:

(a) forcing many unemployed young men into work camps,

(b) having prevented all the trekkers from coming to Ottawa to express their democratic right for better conditions in the work camps,

(c) abrogating its responsibility of providing the necessary leadership in a time of high unemployment which would have created decent and rewarding full time employment;

Private Members' Business

(3) displaying a total lack of policy initiatives which would have provided meaningful work and wages for the unemployed, and for the violent attack on the participants of the "On to Ottawa" trek.

He said: Mr. Speaker, it is with great pleasure that I have this opportunity to present the motion in the House today. This year marks the 60th anniversary of the "On to Ottawa" trek. This motion calls for an apology, which is 60 years overdue.

In Regina we have an historic marker set in front of the Regina city police station. On it appears the following:

At 8.17 p.m. July 1, 1935, rioting erupted here in Market Square when RCMP and city police arrested the "On to Ottawa" trek leaders as they addressed trekkers and city residents. Rioting then spread to the 11th Avenue and Scarth Street area. Ending near midnight, it left extensive property damage, numerous injuries, and a city policeman, Detective C. Millar, dead.

The trekkers were single men en route to Ottawa from B.C. to demand better conditions in relief work camps set up for the unemployed. They were stopped in Regina on June 14 by the federal authorities, who feared a revolution if the trek reached Ottawa. At a meeting between trek leaders and the federal cabinet, mistrust grew, and trekkers were prohibited from advancing or going home. To break the deadlock, Ottawa ordered the leaders' arrest. In the furor of the resulting riot, the frustration of the trek's failure and years of unemployment were released.

The next day the provincial government arranged for the trekkers to return to their homes.

Signed by the Government of Saskatchewan in 1979, the text on this marker refers to the tragic events known as the Regina riot. The text is short and temperate and barely explains why the provincial government signed an epitaph commemorating a riot. I will attempt to do that.

Facts will show that the riot was planned and provoked not by the trekkers but by the police on direct orders of the federal government, which in so doing illegally usurped the authority of the provincial government, which was in the process of negotiating a settlement with the trekkers.

The riot was the climax of a strike of the relief camp workers begun on April 4, 1935, in British Columbia. With a set of demands adopted at a meeting of the relief camp workers' union in Kamloops on March 10, 1935, the strikers stayed for two months in Vancouver and then started east to Ottawa to put their grievances before the government of Prime Minister R.B. Bennett.

Before arriving in Regina, the trek's ranks were augmented with new recruits. By the time the trekkers reached Regina the numbers had swelled to 2,000. Unbeknownst to the trekkers and the Saskatchewan government, Regina was their ultimate destination, not Ottawa.

Having stopped them in Regina, Prime Minister Bennett arranged to meet with a few representatives. He obviously did not want the entire trek to arrive in Ottawa, with however many more who would have joined along the way.

Unfortunately the meeting with the Prime Minister was unproductive. Bennett offered a temporary camp near Lumsden, Saskatchewan, where the trekkers would go until arrangements were made to return them to the permanent camps and the same inhumane conditions they had left. All along the only option the federal government was prepared to give the trekkers was no option. The status quo is the operative word.

When the trekkers' representatives returned to Regina from Ottawa, they attempted to undo the deadlock the Prime Minister's offer had presented by developing a revised proposal. They worked diligently to set up meetings with all the authorities. The trek leaders also decided to hold a public meeting to inform the citizens of the result of their meeting with the Prime Minister. Posters went up, and it was known that only a few trekkers would attend the rally.

● (1735)

Early in the morning on July 1, the trek leaders initiated negotiations with both the federal and the provincial governments in the hope of obtaining an agreement for an early withdrawal. One of the trek leaders, Arthur Evans, requested a meeting of federal, provincial, and trek representatives. The chief federal representative in Regina refused to meet with provincial officials but agreed to meet with the trek representatives at 10.30 a.m.

At this stage federal officials in Ottawa refused an excellent opportunity to reach a peaceful compromise. They refused any compromise whatsoever. However the trek leaders did not give up. They went to Liberal Saskatchewan Premier Jimmy Gardiner, who promised them a reply the following morning. The premier had arranged for a cabinet meeting that evening.

The fact is, when the trekkers were conferring with Gardiner the federal government was preparing warrants and strategy for the arrests of Evans and six other leaders of the trek. At the public rally that evening a crowd of 2,200 had gathered to hear a report of the trekkers' delegation to Ottawa. In this crowd there were no more than 300 trekkers, as most had already been informed and were slated to attend a ball game elsewhere. In other words, it was a known fact that the meeting was for citizens rather than trekkers.

Why the choice was made to arrest the leaders in front of a mass meeting of their supporters raises serious questions. Why they did not wait until after the meeting, after the crowd had left, to make the arrests has never been fully explained. However, it

does not take a rocket scientist to understand that it was the nature of the arrangements and the means by which the police carried them out that provoked the Regina riot. A more discreet and less provocative arrangement could have been devised and the arrests could still have been carried out successfully.

The riot that resulted from this action left plainclothes detective Charles Millar of Regina city police dead, scores of trekkers, citizens and policemen injured, and several trekkers and Regina citizens hospitalized with gunshot wounds. Downtown Regina was left in a shambles.

The riot began as the Premier of Saskatchewan and the provincial authorities were considering the trekkers' proposals. The provincial government had not been informed of police intentions. Premier Gardiner wired the Prime Minister late that night, both protesting the police action and offering to disband the trek under provincial auspices. It is not difficult to understand how this marked the beginning of a dispute between the federal and provincial authorities. Gardiner was fearful that the intransigent federal attitude would lead to a resumption of hostilities and he demanded the federal authorities take a more reasonable position.

The federal government had taken over provincial jurisdictions, starting with control of the RCMP, which had moved to organize the Regina city and railway police forces. Preparing for a showdown, the federal government also moved into other provincial areas, namely transportation, blocking the trekkers from access to roads and allowing them to leave only if they agreed to go to the camp near Lumsden.

The federal authorities had obviously taken it upon themselves to instruct the RCMP in Saskatchewan in the enforcement of the ordinary criminal law and not merely in matters under the Railway Act. This represented another violation of provincial jurisdiction.

Based on the exchange between the Bennett and the Gardiner governments, it is more than fair to say that the Premier of Saskatchewan placed the responsibility for the tragic end to the trek in Regina squarely on the shoulders of the federal government of the day. The premier was not by any means alone in believing that.

Ten years ago, on the occasion of the 50th anniversary of the "On to Ottawa" trek, I presented a similar motion in the House. At that time I had the benevolent support of one of our colleagues who now sits on the other side of the House. She said: "We should say that we are sorry. While it may not mean much in terms of individual compensation for the agony suffered by those people who lived through the Depression, it would certainly be a first step on the road to clearing the record". This is quoted from the Commons debate of October 7, 1985, when the present Deputy Prime Minister supported an official apology to the trekkers and the citizens of Regina.

Private Members' Business

• (1740)

She also stated: "And we, both as members and as the government, should apologize to the unemployed workers who were forced to take to the streets to seek their own rights, which they should have been given by the Prime Minister at the time, who abdicated his responsibilities in this respect".

Like our colleague in 1985, I now challenge the government to listen and redress this pivotal event in our Canadian heritage. I want to believe this government is different from the previous one. History need not repeat itself once again.

Ten years ago the Deputy Prime Minister and member for Hamilton East accused the Mulroney government of taking the same attitude as the Bennett government of taking a hands off approach to solving the unemployment crisis. She said: "It does not want to be involved in the creation of jobs because somehow Conservative governments see something distasteful in direct government job creation. In fact, the Bennett solution at that time was to send the workers off to work camps, where they lived in intolerable circumstances and in fact were not ever able to have the dignity of a democratic election in those particular camps".

The tables have turned. The hon. member now sits in power, where she can actually do something to ensure there is not only democracy but also employment, social justice, and a future for our young people.

This government started its term with job creation and the infrastructure program, but something terribly wrong has happened. This government has been hijacked by some group with another agenda.

The motion I have placed before the House might merely be regarded as a footnote in history were it not for the fact that history has a tendency to repeat itself. Since this year's budget, instead of jobs we got cutbacks and massive decreases in provincial transfers. Jobs, we are told, are not for the governments to create; they will appear out of market forces—as if Prime Minister Bennett has been resurrected one more time.

By leaving the provinces in the lurch, some of the provincial leaders are quickly turning the country's clock back to the 1930s. The present government still has an opportunity to make good on its election promises and the hope they offered. The federal government does not need to starve the provinces by abandoning its responsibility to the people. The deficit reduction plan does not need to be inhuman.

I agree with the endorsement from the member for Hamilton East of my 1985 motion, when in reference to the apology she suggested that "that act of good faith and goodwill on the part of the government would begin to restore the credibility this government has lost in insisting upon measures that are anti-worker, anti-family, anti-labour, and anti-union. Work must be done or the government's word cannot be believed. Now is the chance for the government to win back some of the credibility it

Private Members' Business

has frittered away since"—to which I add, the end of October 1993.

Let this government show us that it is not just another job eliminator party. The Liberal government has its chance to stand up and finally set the record straight by making to these people, the strikers, a general, all-encompassing public apology.

The Deputy Prime Minister further stated 10 years ago: "If it"—meaning the Mulroney government—"is truly sincere about beginning to gain back the confidence of young working people, young unemployed people, older working people, and older unemployed people to realize that the time has come for it to endorse an all-party resolution which calls for an apology to redress an event which occurred 50 years ago and which is indicative of the type of Conservative mentality which has led all Canadians to realize that Tory times are tough times".

The sad fact of the matter is that history, as I have just outlined, is in many ways and places across the country repeating itself. Many of the problems for which the trekkers sought solutions in the 1930s have returned in spades in the 1980s and continue in the 1990s. Once again we have massive unemployment. Once again we are faced with widespread business failures, farm foreclosures, personal bankruptcies, food banks, user fees, head taxes, and policies that are reminiscent of an era we had hoped to have surpassed.

The political repercussions and the legacy of the trek have a lot of parallels with today's environment. The National Council of Welfare's 1995 report on the last government budget states: "The policies of the 1990s will take us back to the 1950s". Recent statements and actions from at least two provincial governments would confirm that. In a 1987 article in the Canadian Review of Social Policy by Duncan Rogers, a former deputy minister of the Alberta Social Services described the 1950s period as "the remnants of the old relief days of the 1930s". He goes on: "It was not uncommon for children, particularly from larger families, to be apprehended as neglected and become wards of the crown simply because there was insufficient money available to the family".

• (1745)

The Liberal government is often accused of continuing the Tory legacy, while at the same time promising initiatives which will create jobs and opportunities for all Canadians. With nearly 10 per cent of our population unemployed, unemployment has become a chronic condition. Youth under employed is still worse, at 18 per cent. The rate for Canadians aged 15 to 24 years is nearly double the national average and costs the economy at least \$4.5 billion per year.

However, that is not the dearest price we are paying. Canada now has the third highest rate of teen suicide in the world, which has increased fourfold since 1960. The social and economic conditions under which kids are living are creating a social phenomena described as existential despair. Is that the best country the world?

Will more jails and longer sentences deter the problems? They will do nothing if there is no hope for a future that brings rewards and fulfilment.

I acknowledge the tremendous financial debt this country and the public sector faces due to the gross mismanagement of previous governments. I acknowledge the challenge that lies ahead for all of us to begin to solve our financial problems. Surely we must find ways of dealing with our problems other than on the backs of the old and the poor.

As a Stats Canada study has shown, it is not increases in government expenditure that has created the debt. In fact, only 6 per cent of the debt is due to increases in public expenditure. The rest is due to loss of revenue and increases in interest rate payments. Of that 6 per cent increase in government expenditures, only 2 per cent is due to increases in social programs.

It is not the social programs which have created our debt. Yet it is our social programs that are paying for it. It is the cutbacks in health services, in unemployment insurance, programs to help train and create jobs for young people. That is where the burden is being placed to rectify the terrible, physical mistakes that past Conservative and Liberal governments have made.

We are in a period of declining standards of living. Recently, Stats Canada issued a report that in 1993 the average family income in Canada declined by some 3 per cent, inflation factored in. The decline for single parent families in that one year was 8.3 per cent. We are in a downward spiral.

New challenging solutions are needed, but the solutions of R.B. Bennett did not work then and will not work now. I challenge the government to come forward with new imaginative proposals to give hope to our young people, to give employment to our young people and to give young people a future.

I urge the House to adopt the motion to extend an apology for how those strikers were treated in 1935 in Regina some 60 years ago. They wanted to come to Ottawa to express their hope for a new future, to express their desire to work. They did not want welfare. They did not want the dole, they wanted jobs. Today the mass of unemployed young people are looking for work. They do not want handouts, they want a future.

I urge the House to adopt the motion as a symbolic gesture to our young people that we are concerned about their future.

Private Members' Business

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs, Lib.): Mr. Speaker, I rise to speak to the motion of the hon. member for Regina—Qu'Appelle concerning the 1935 "On to Ottawa" trek and the Regina riot.

The hon. member's motion recalls a time and place far removed from the Canada of today. It was the time of the Great Depression, a time of staggering unemployment, prolonged and terrible drought and the near collapse of national economies. There were shrinking markets and falling prices, all of which contributed to human misery and hardship on a scale seldom seen before in North America.

• (1750)

This was a time when a woman working in a textile factory in Quebec could work a 60-hour week and earn only \$5. The millions of acres of prairie wheat fields were turned into dust bowls and farmers walked away from family farms they had worked all their lives.

In 1929 when the depression began there were 107,000 unemployed in Canada. By 1933, the worst year of the depression, there were 646,000 unemployed, approximately one-quarter of the Canadian work force at that time.

The response of the Bennett government to the depression for younger men was to organize work camps. These work camps were organized under the Department of National Defence. The workers within them were paid 20 cents a day. This was an early and very harsh form of workfare.

Conditions in the camps were well described by the member for Qu'Appelle. They were camps in which work was done for the sake of doing work. "We are playing at highway building", reported the striker in his diary. "What a joke we are. We make a ditch one day and then change the plans and find that it is in the wrong place". A public servant for the Conservative government: "Not one cent of public money has been spent on reading material and recreational equipment".

The member has performed a service in drawing to our attention the consequences of this kind of attitude toward the unemployed and the consequences of using work camps, workfare or whatever to deal with the unemployed.

One of the workers wrote at the time: "It is really the fact that we are getting nowhere in the plan of life that moves us forward to march to Ottawa. We are truly a lost legion of youth rotting away for want of being offered a sane outlet for our energies".

The work camps were organized in B.C., it must be said, largely by communist workers. The workers organized for the trek to Ottawa and by the time they got to Regina in June of 1935 there were 12,000 workers. The Liberal premier of the province,

Premier Gardiner, protested that the government of the day had decided to stop the workers there. Prime Minister Bennett met with the workers. The reply he gave them was very harsh and indeed he would not even let them talk.

On July 1 unfolded the tragedy that has been described by the member opposite. One policeman died and we mourn his memory. Dozens of policemen and others, workers obviously, were injured. It is a black mark in the history of the depression. It is a black mark in the history of the city of Regina as well.

The hon. member's motion suggests that the Conservative government of the day bears much of the responsibility for what took place in Regina and the judgment of history. The judgment of history in this case does largely bear out the hon. member's claim. I might add that during the depression solutions were not easy. Many kinds of solutions were made in various countries. The new deal in the United States was a very successful response to the depression but one that was thought to be authoritarian by many others.

There were responses. In Italy Mussolini responded by making the trains run on time but also causing wars in places as far away as Abyssinia and responses in Germany where public works projects did create jobs.

The party that the hon. member represents, the CCF, was formed during the 1930s and it sought solutions too. I quote from the Regina manifesto which called for complete social ownership and public management of the Canadian economy. It stated: "All financial machinery, transportation, communications, electric power and all other industry and services essential to social planning should be nationalized and operated by the state; furthermore there be no compensation for bankrupt private concerns for the benefit of promoters and for stock and bond holders".

That is not the stand of his party today obviously. I mention this only because we have to give credit to people's views and their times and not to support R.B. Bennett's decision on that day in this particular case. However we can recognize that for us to judge today what they thought then reflects the judgment of a later day. We cannot, except in exceptional circumstances, apologize for history. The only people who can apologize for what took place in Regina, July 1, 1935 are the people who made the fateful decisions that precipitated the riot and they are dead.

To apologize for the actions of a government in 1935 would be a well meant but futile gesture. If we cannot change history we can learn from it and we can look at the past wrongs through actions today.

• (1755)

If you look at the demands of the strikers in 1935, you can see that the men who marched on Ottawa have in many ways had their wishes come true.

Private Members' Business

The Canadian people tossed the Bennett government out of office in Ottawa in October 1935 and the Liberal government, which took office under Mackenzie King, righted many of the wrongs against which the strikers protested. For example, section 98 of the Criminal Code, which had been used for arbitrary arrest of strikers and others, was abolished.

By 1940 we had unemployment insurance in this country. After 1940, we built a social system that offered a kind of minimum that the strikers and the people in the depression did not have.

The best monument to the memory to the strikers of 1935 is the Canada we live in today. It is in our health care system which was created about 25 years afterward. It is in our system of unemployment insurance. It is in our comprehensive social services and it is in our fair hiring practices which was central to the protest made by the workers in Regina in 1935.

Look around and ask, could the "On to Ottawa" trek and the Regina riot happen in Canada today? The answer is an unequivocal no. The hon. member has done a service to the people by placing the motion before the House, but while I cannot agree with this call for an official apology, I can applaud the sentiment that inspired this motion expressing profound regret that this government, indeed, all Canadians feel for what happened to Canadians during the Great Depression.

It would be more fitting to honour the memory by taking the opportunity presented by this motion to re-dedicate ourselves to the principles of social justice that were lacking in Canada in 1935.

Let us then work together to build a country where there is social equality and equal opportunity for all. It seems wrong to look at our own times and compare them to the 1930s and suggest that the conditions today, in any way, resemble those of the 1930s. The pay for the young men in the work camps was 20 cents a day. There was no unemployment insurance. There was no health insurance. There was no social system. There were no easy answers as well.

Today, for whatever problems our economy faces, we have an unemployment rate that is probably one-third of what it was in the depression. We have protection for people who have lost their jobs. We have a government that is committed to creating jobs and work for Canadians and to maintaining a social system that protects the interests of all Canadians.

I hope members will agree, including the member for Regina—Qu'Appelle, that what we have accomplished since 1935 is itself the best memorial to the strikers in Regina in July 1935.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am pleased to address the motion tabled by the

hon. member for Regina—Qu'Appelle, regarding the "On to Ottawa" trek which started in Vancouver and ended in Regina, on July 1, 1935.

I think it is important to tell our viewers how this episode came about, and to see if there are lessons to be drawn from it. It must be remembered that 1935 was one of the worst years of the Great Depression, which was probably the worst economic disaster of our century.

It must also be remembered that this disaster occurred at a time when governments were saying: "The less we get involved, the better it is. The less we try to control, the more we will promote wealth and its distribution". Reality, however, turned out to be quite different. There was an enormous lack of confidence in the economy. Unemployment suddenly soared to astronomical levels, which had nothing to do with reality, but which meant that people could not get enough income to ensure their survival.

We must not forget that, in those days, there were no social programs such as welfare and unemployment insurance. The safety net was not yet in place; consequently, those who lost their jobs had nothing to fall back on except begging.

• (1800)

Faced with this situation, the government of the day decided to set up work camps. Unfortunately, conditions in these camps were absolutely appalling, and this eventually led to the strike.

There is a lesson to be drawn from certain important aspects of this strike. We are about to launch a reform of the old age pension and unemployment insurance programs, and crucial decisions will also be made regarding things such as social assistance funding. It is easy, when you overlook certain factors, to make quick assumptions on the actual impact of such measures.

Finally, measures were established to ensure a distribution of wealth, a distribution of income and an opportunity to balance consumption. When essentially everything is in the hands of the rich, what remains, once the rich have taken what they require to satisfy their basic needs, becomes luxury. This situation moves the economy a lot less than if everybody had enough to live on and to feed their families.

This sort of strike, which was stopped by violence, happened because the government of the day lacked sufficient means to distribute wealth.

In order to avoid the excesses of the past and to permit redistribution of wealth, we must absolutely avoid behaviour such as that of the Government of Ontario, which drew up a list to show people they could live and feed themselves on \$90 a month, forgetting milk for cereal and really crazy things. This sort of thing could lead to behaviour similar to this strike. We forget about respect for basic human dignity.

The other point we should remember is that mandatory work under unacceptable conditions is one thing that should be rejected as an option, because this too represents a failure to respect people's dignity. It leads to behaviour, which may not be justifiable, but which can be understood on closer examination.

There is also another component, which got less attention this afternoon, and that is police intervention. There have been a number of police interventions in Canada's history which have been more or less justifiable in the past. In this case, we are talking about an intervention that affected workers in western Canada in 1935.

In Quebec, there was another one that affected us in a very particular way. It happened during the October crisis in 1970, where a lack of control over police action resulted in unacceptable behaviour and unwarranted arrests, as was described earlier in connection with events in Regina. The same thing happened in Montreal and Quebec City during the October crisis in 1970.

As a state, as a country claiming to be one of the most democratic in the world, with highly interesting democratic practices we can boast of to others, we still have a number of lessons to learn from these examples, which must drive us to ensure that our police forces have very clear mandates and proper training to deal with the situations that arise. They must obtain mandates from a judge in special situations, so that such excesses never occur.

I think we can say, with hindsight, that these young men—for it was mainly young men in these work camps—represented in some way the future of Canada at the time the strike took place. The way that they were crushed is something that must never happen again.

• (1805)

One of the participants in the march, Joe McEwen, summed up the situation in a way by stating in the conclusion to his description of what happened "We were the salt of the earth". Young people, aged 20, aged 30, wanting to work, wanting acceptable conditions, not finding them, and taking steps to let the government know how dissatisfied they were. Their expression of the need for change fell on totally deaf ears which led to aggressiveness and unacceptable behaviour, probably on both sides, but this must serve as a lesson to us today to make sure that we are not demolishing everything that has been built and to avoid such situations.

If the next unemployment insurance reform requires, as we fear it will, 26 weeks of work rather than 20 weeks in the first year of eligibility for unemployment insurance, we will see an increase and a perpetuation of the current statistics which show more and more people on welfare because they are not eligible for unemployment insurance. This type of reform leads directly to violent behaviour, because when people cannot feed their

Private Members' Business

families and provide them with the basic necessities it is somewhat normal for them to seek some way out, to show their dissatisfaction, sometimes in an aggressive manner.

The other reform from which similar lessons must be learned is the reform of old age pensions. Over the past 15 to 20 years, we in Canada have developed a program which has enabled our seniors to enjoy greater security than before, at least from the economic point of view. In the upcoming reform, we must make sure that this economic security is not threatened, so our seniors may continue to have a decent income, one that enables them to meet their basic needs and to make a proper contribution to society.

Often when these things are being discussed, there is talk of fearmongering and a desire to frighten people. I think we have to learn from the past and see that history often repeats itself. We must always be sure that rights are protected, and this is the main lesson I have learned from the motion, which asks the federal government to make an official and unequivocal apology for the reprehensible acts committed by the government of the day.

The main lesson I can draw today, in 1995, is that we must ensure that the government opposite, as Parliament, does not repeat the same mistakes and that it provides a system of social programs that meets the needs of the 21st century. Globalization of trade does not mean standardization of social programs and this seems to me to be the challenge of the 21st century for Quebec and for Canada.

[English]

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, as a Saskatchewanian born and bred, I cut my teeth on stories of the Dominion Day riots and the much worse events that actually took place at about the same time at the coal mine strike in Estevan.

I do not think there is anyone of proper mind who would deny that the work camps are a blot on Canadian history. I do not think anyone of my acquaintance would deny that the decision of the government of the day to arrest the trek leaders was stupid and unjustified.

Unfortunately, history is a chronicle of violence and injustice. Historical revisionism notwithstanding, there is nothing you can do to change history. As the bard said, "what is done is done and cannot be undone".

I am very uncomfortable with the principle of apologizing to people who suffered in the past because of my ancestors, if you will. We are faced with a stream of people who want to be apologized to for things their ancestors have suffered. At the moment there are Canadians of Ukrainian descent asking for apologies for the internment of their grandfathers and great-grandfathers during the first world war. There are Canadians of

Private Members' Business

Chinese descent asking us to apologize as a society for the head tax.

• (1810)

Where do we draw the line? Are we going to continue apologizing forever? I had ancestors who were dispossessed of their lands in Scotland in order to make room for sheep. Am I supposed to go out and ask for apologies from people who had nothing whatsoever to do with that? I do not believe so.

More important, besides the question of where to draw the line, what is the point? Nothing we say or do here can undo the evil that was done 60 years ago. To be meaningful, an apology requires a certain degree of contrition. Frankly, I do not feel any guilt for actions that took place in my province when I was just a little boy. I did not break any heads, and I am not acquainted personally with anybody who did.

If the hon. member for Regina—Qu'Appelle wants to assuage his personal conscience or wants to go on a guilt trip, I am not going to accompany him. I would respectfully suggest that if he really wants to do something he should take a few thousand dollars out of his bank account, track down each surviving protagonist and buy each one a bottle of the best. That would be a commendable and meaningful gesture, which I would applaud wildly.

What is being proposed here in the House today is meaningless; it is window dressing. We are not going to resurrect the dead. We are not going to heal the wounds of people who had their skulls cracked 60 years ago. Let us get on with our lives. We have more important things to worry about in the House.

I will not be supporting the motion made by the hon. member.

Mr. Robert D. Nault (Parliamentary Secretary to the Minister of Labour, Lib.): Mr. Speaker, one interesting thing about being a parliamentary secretary is that one gets to stay up late. So here we are. I thank the member for Regina—Qu'Appelle for keeping me up this late and bringing the motion before the House.

The motion before us calls on the federal government, on the 60th anniversary of the “On to Ottawa” trek, to apologize for its actions at the time. According to the motion, the government’s reaction to the march displayed a total lack of concern for the unemployed and the government was responsible for violence, loss of life, injuries, and the questionable jailing of several participants.

In proposing the motion the member has given us a chance to consider the progress we have made in the last 60 years. I would like to reflect on where we were then and where we are now as relates to the labour movement. That is basically all we can do, because we cannot turn back the clock.

On June 3, 1935, over 1,000 unemployed men began the “On to Ottawa” trek. They were frustrated and angry about their plight and determined to tell their political leaders and the nation that they deserved better. The trekkers made stops in Calgary, Medicine Hat, Swift Current, and Moose Jaw before arriving in Regina.

At Regina a delegation of eight men was chosen and sent to Ottawa to meet with the Prime Minister. These talks failed. After attempts were made to arrest the leaders of the trek the situation deteriorated rapidly, leading to the Regina riot. By the end of it one policeman was dead, several dozen protesters, constables, and bystanders were injured, and 130 protesters were arrested. The events of July 1, 1935 were incredibly traumatic and they stand out in the pages of our history. What then did the trek accomplish? What lessons can we continue to draw from it today?

• (1815)

I think we can draw a number of lessons. First, it is vital that we do not put ideology ahead of people’s needs. Governments should never let adherence to a particular ideology or fear of a particular ideology blind it to the real needs of the people. Some parties in the House should take that message to heart.

Another lesson of the trek is that if we as a society aspire to economic prosperity and social peace, we have to encourage the involvement of citizens. People have to take advantage of the opportunity to act through anti-poverty groups, social organizations and trade unions.

We hear a lot of union bashing by right wingers these days, but it is a simple matter of fact that free societies and free trade unions go hand in hand. Societies that do not have a vigorous union movement challenging them to examine and re-examine their policies and attitudes are sorely lacking. The sweeping economic and social policy changes that we saw in Canada after World War II came about because the people demanded change to the status quo. These demands were translated into effective policies.

Without people who agitate—that is probably how I would classify my colleague across the way—criticize governments, challenge policies and organize their fellow citizens we would stagnate. We would not have made the progress we have in Canada.

It is because of the challenges issued by the trekkers and others that we have built up social policies that go hand in hand with economic growth and prosperity. For example, there is free universal health care. Not only is it socially enlightened but it gives Canadian businesses a competitive advantage. Medicare has reduced the cost of health care to the economy and has left more money in the pockets of individuals and businesses.

Similarly, good and balanced labour legislation that acknowledges the rights and needs of trade unions promotes stability in the workplace, improves productivity, maintains purchasing

power and results in the creation of pension funds that are then accessed for both public and private investment.

I could give other examples but I think I have made my point. Our collective experience with hard economic times, an experience that includes the “On to Ottawa” trek, has given us a certain perspective on social policy, a view of the meaning and purpose of social programs. In the short term the “On to Ottawa” trek probably did not accomplish much. In the bigger picture, though, it represents a shift in attitude. The work of the trekkers and other activists of the era contributed significantly to the rise of the Canadian labour movement.

The trek did not create a formal organization but it created stirrings among the unemployed and among workers. It created the conditions in which the labour movement could grow. Before a strong labour movement could take root, working people had to become conscious of their power, their value and their dignity. The “On to Ottawa” trek led to this awareness. Since then unions have become a major force in Canadian society. Unlike the United States where only 10 per cent of the workforce is organized, unions here are relatively healthy and represent about 30 per cent of workers in Canada.

Canadian society has developed in large part because of the work and prodding of trade unions. I value and appreciate the role they play in Canada. I have a significant bias as that is what I used to do for a living before I came to this place. The labour movement of today owes a lot to the “On to Ottawa” trekkers and to all other men and women who struggled to make the Canadian society more just, compassionate and democratic. With the rise of the labour movement came new labour legislation. A milestone was PC order 1003 in 1944 which put into law the right of workers to join unions and to engage in collective bargaining. That was not all that long ago.

Since then governments have adopted a number of laws involving work standards, workplace health and safety, and worker protection. I am proud our laws are much more progressive and responsive to working people than the laws in the United States.

• (1820)

In order that our laws continue to reflect and meet the needs of today’s workforce we are in the process of a comprehensive review of the Canada Labour Code. In the spring we anticipate presenting legislation to the House for all members to consider. Our goal is to ensure a balanced system that benefits all of us.

Again I thank the member for introducing the motion. It reflects on how difficult times were for millions of Canadians 60 years ago. The changes the trekkers were trying to achieve was time well spent. It gives us an appreciation of how far we have

Private Members’ Business

come in working together to create conditions for social peace. This is a heritage we have to protect so that working Canadians can continue to build the country and continue to create opportunities for all.

I agree with members opposite who have spoken before me that we cannot go back in time to try to understand why people did what they did. However we can learn from our mistakes and we can advance as we have in the country. As I have mentioned, let us hope the lessons we have learned from the trekkers will be put into legislation. They will always have a place in our hearts and our history simply because they helped to start the labour movement in Canada.

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso, Lib.): Mr. Speaker, it was not my intention to speak but since there is some time remaining I will say a few words on the motion of the hon. member for Regina—Qu’Appelle, which I was pleased to second.

My reason for seconding the motion was to allow us to debate an event in Canada’s history that serves as a reminder to us all of some difficult periods in our history that have in a sense given birth to many of the progressive pieces of social legislation and programs we now enjoy in Canada.

It serves us well to remember events such as the march to Ottawa, the “On to Ottawa” trek of 60 years ago, and the struggles our forebears undertook to pave the way for some of the social programs we regard with such pride today.

On the question of offering an unequivocal and official apology, I am not sure I would support that part of the motion for the same reasons that have already been expressed by my colleagues on both sides of the House. In this day and age we cannot judge the actions of our ancestors. We can only learn from them. I express that caveat in my endorsement of the debate the hon. member initiated.

I was a little uncomfortable with the member’s attempt to compare current circumstances with the depression that led to the “On to Ottawa” trek and the unfortunate occurrences that took place in Regina on July 1, 1935. Canada has moved a long way from those unfortunate days. The struggles and the sacrifices of the workers who paid that price were part of what brought the country to where it is today.

• (1825)

Even though we presently have our own economic difficulties in Canada, in no way do they compare to the difficulties those workers experienced in the dirty thirties which have been eloquently described by the hon. member and others in this House. Those difficulties are part of the past which Canada must learn from.

Private Members' Business

With those caveats, I want to commend the hon. member for Regina—Qu'Appelle on having introduced his motion and on having brought our attention to this chapter in Canada's history. It has allowed members on both sides of the House to draw some lessons from that period in Canada's past.

The Acting Speaker (Mr. Kilger): Colleagues, we only have a few minutes left in this private members' hour. Would it be the disposition of the House for the member under whose name the motion stands to close the debate on this motion by taking no more than two minutes under right of reply and then we would adjourn?

Some hon. members: Agreed.

Mr. Simon de Jong (Regina—Qu'Appelle, NDP): Mr. Speaker, I wish to thank the members of the House for giving me this opportunity of closing the debate.

I do wish to thank the member for Cape Breton Highlands—Canso for being a seconder, in that way allowing the motion to be introduced today and allowing the debate. Since there was no member of my party here, his gracious action in allowing his name to be used to second the motion is greatly appreciated. I recognize as well that when he did that, he did not necessarily endorse everything in the motion, nor all the comments I would make.

Despite what some hon. members say, we cannot rectify the past. We cannot mend broken bones nor can we raise the dead, but it is important that in some instances we say that what was done back then was wrong. We should do it in an official way by extending an apology.

To me it then becomes a signpost in the evolution of our civilization. A formal act of this Parliament, for example

apologizing and stating that what occurred in the Regina riot was wrong, becomes a signpost in our evolution.

I hope as well that what some of the hon. members particularly from the government side have stated is true, that there is a great difference between conditions then and now. Indeed, there are many differences. But the fear of many of us is that we are sliding into situations quite similar to the last depression.

That was one of the reasons I also wished to bring this item up. While there are differences, unfortunately there are also growing similarities, particularly the sense of hopelessness many of our young people feel, the lack of jobs, the lack of a future, the lack of opportunity. Surely those young men in those camps must also have felt a sense of hopelessness for the future which motivated them to start the trek to Ottawa to bring to the attention of Parliament the conditions which existed.

I hope those conditions will never return again. The reality is however that many of our young Canadian citizens face the future not with hope and aspirations, but with dejection and unemployment.

I hope the government and this Parliament will remember what the Bennett government did back then and will reject it as a solution to the problems we face. I hope that we will work together toward a new solution to the problem.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

It being 6.30 p.m. the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 6.30 p.m.)

CONTENTS

Thursday, November 2, 1995

GOVERNMENT ORDERS

Agriculture and Agri-Food Administrative Monetary Penalties Act

Bill C-61. Consideration resumed of motion for third reading	16107
Motion agreed to on division: Yeas, 125; Nays, 76	16107
(Bill read a third time and passed.)	16108

ROUTINE PROCEEDINGS

Government Response to Petitions

Mr. Milliken	16108
--------------------	-------

Private Members' Business—Motion M-473

Motion	16108
Mr. Ménard	16108
(Motion negatived.)	16108

Petitions

Small and Medium Size Businesses

Mr. Duhamel	16108
-------------------	-------

Bovine Growth Hormone

Mr. Vanclief	16108
--------------------	-------

Human Rights

Mr. Ménard	16108
------------------	-------

Income Tax Act

Mr. Szabo	16109
-----------------	-------

Parliamentary prayers

Mr. Adams	16109
-----------------	-------

Sexual orientation

Mr. Adams	16109
-----------------	-------

Divorce Act

Mr. Bertrand	16109
--------------------	-------

Questions on the Order Paper

Mr. Milliken	16109
--------------------	-------

GOVERNMENT ORDERS

Agreement on Internal Trade Implementation Act

Bill C-88. Resumption of consideration of second reading of motion and amendment	16110
Mr. Laurin	16110
Mr. Penson	16111
Mr. Leroux (Shefford)	16112
Mr. McClelland	16113
Mr. Maloney	16114
Mr. Nunez	16116
Mr. Rideout	16117
Ms. Augustine	16118
Division on motion deferred	16120

Excise Tax Act

Bill C-103. Motion for third reading.	16120
Mr. Dupuy	16120
Mrs. Tremblay (Rimouski—Témiscouata)	16122
Mr. Solberg	16124
Ms. Augustine	16128
(Motion agreed to, bill read the third time and passed.) ...	16130

Department of Health Act

Bill C-95. Motion for second reading	16130
Ms. Marleau	16130
Ms. Fry	16130
Mrs. Picard	16136

STATEMENTS BY MEMBERS

Vancouver Grizzlies

Mrs. Terrana	16137
--------------------	-------

Canadian Unity

Ms. Bridgman	16138
--------------------	-------

Bill C-101

Mr. Taylor	16138
------------------	-------

Refugees

Mr. Dromisky	16138
--------------------	-------

Butterfly Reserves

Mr. Knutson	16138
-------------------	-------

Quebec Referendum

Mr. Maloney	16139
-------------------	-------

New Brunswick Premier

Mrs. Debien	16139
-------------------	-------

Alberta

Mr. Benoit	16139
------------------	-------

Quebec Referendum

Ms. Fry	16139
---------------	-------

Leader of the Bloc Quebecois

Mr. Bertrand	16140
--------------------	-------

Riding of Saint-Maurice

Mr. Lefebvre	16140
--------------------	-------

Parti Quebecois Leader

Mrs. Bakopanos	16140
----------------------	-------

Quebec Referendum

Mr. Ringma	16140
------------------	-------

Prime Minister of Canada

Mr. Patry	16140
-----------------	-------

Prime Minister of Canada

Mr. Guimond	16141
-------------------	-------

National Unity

Mr. Martin (Esquimalt—Juan de Fuca)	16141
---	-------

Tribute to Quebec Premier

Mr. Charest	16141
-------------------	-------

ORAL QUESTION PERIOD

The Referendum

Mr. Bouchard	16141
Ms. Copps	16141
Mr. Bouchard	16141
Ms. Copps	16142
Mr. Bouchard	16142
Ms. Copps	16142

Mr. Gauthier	16142
Ms. Copps	16143
Mr. Gauthier	16143
Ms. Copps	16143
Mr. Harper (Calgary West)	16143
Ms. Copps	16143
Mr. Harper (Calgary West)	16143
Mr. Massé	16143
Mr. Harper (Calgary West)	16144
Mr. Massé	16144
Mr. Duceppe	16144
Naming of Member	
The Speaker	16144
The Referendum	
Miss Grey	16144
Ms. Copps	16144
Miss Grey	16144
Ms. Copps	16145
Mr. Bellehumeur	16145
Ms. Copps	16145
Mr. Bellehumeur	16145
Naming of Member	
The Speaker	16145
Natural resources	
Mr. Strahl	16145
Ms. McLellan	16145
Mr. Strahl	16146
Mr. Massé	16146
Welfare	
Mrs. Lalonde	16146
Mr. Axworthy (Winnipeg South Centre)	16146
Mrs. Lalonde	16146
Mr. Axworthy (Winnipeg South Centre)	16146
Sri Lanka	
Mrs. Gaffney	16147
Mr. Chan	16147
Canada Pension Plan	
Mrs. Brown (Calgary Southeast)	16147
Mr. Axworthy (Winnipeg South Centre)	16147
Mrs. Brown (Calgary Southeast)	16147
Mr. Axworthy (Winnipeg South Centre)	16147
Canadian Wheat Board	
Mr. Taylor	16148
Mr. Goodale	16148

Privilege	
Oral Question Period	
Mr. Bouchard	16148
The Speaker	16148
Points of Order	
Comments during Question Period	
Mr. Ringma	16148
The Speaker	16149
Privilege	
Comments during Question Period	
Mr. White (North Vancouver)	16149
The Speaker	16149
Business of the House	
Mr. Gauthier	16149
Mr. Gray	16149
Mr. Speaker (Lethbridge)	16150

GOVERNMENT ORDERS

Department of Health Act	
Bill C-95. Consideration resumed of motion.	16150
Mrs. Picard	16150
Amendment	16152
Mr. Hill (Macleod)	16152
Mr. Patry	16154
Ms. Fry	16155
Mr. Martin (Esquimalt—Juan de Fuca)	16156
Mrs. Tremblay (Rimouski—Témiscouata)	16157
Mrs. Brushett	16159
Ms. Fry	16160
Mr. Culbert	16161
Mr. White (North Vancouver)	16163
Mr. Martin (Esquimalt—Juan de Fuca)	16164
Mr. Jackson	16166

PRIVATE MEMBERS' BUSINESS

“On to Ottawa” Trek	
Motion No. 460	16167
Mr. de Jong	16167
Mr. English	16171
Mr. Crête	16172
Mr. Morrison	16173
Mr. Nault	16174
Mr. LeBlanc (Cape Breton Highlands—Canso)	16175
Mr. de Jong	16176



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