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(HANSARD)

Friday, November 3, 1995

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Friday, November 3, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[English]

NATIONAL HOUSING ACT

Hon. Herb Gray (for the Minister of Public Works and Government Services) moved that Bill C-108, an act to amend the National Housing Act, be read the second time and referred to a committee.

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, I rise to move that Bill C-108, an act to amend the National Housing Act, be read a second time and referred to committee.

This is an administrative bill whose purpose is to increase the ceiling of mortgage loan insurance under the National Housing Act. This will enable CMHC to continue underwriting home mortgage loan insurance within the legislative limit. Bill C-108 will increase the existing limit on outstanding loan insurance from the current \$100 billion to \$150 billion. The bill also includes a provision to increase the ceiling further through appropriation in the future.

Members of the House should know that CMHC loan insurance is self-financing and self-sustaining and does not cost the government anything. The mortgage insurance fund is regularly evaluated according to rigorous insurance principles and is fully adequate to cover all insured losses as well as overhead.

[Translation]

While the amendments contained in this bill represent administrative matters, passage of this bill is essential to the continued operation of CMHC's Mortgage Loan Insurance. Allow me to take a minute to explain why this bill is important to Canadians.

[English]

The desire to own a home remains very strong among Canadians. Yet many people who can afford the monthly mortgage

payments are still unable to access home ownership because they find it difficult to save for a down payment for a conventional loan.

With mortgage loan insurance, home buyers can secure up to 95 per cent financing with a lender because CMHC insures the mortgage.

[Translation]

Because CMHC assumes the risk of borrowers defaulting, mortgage lenders are able to supply more mortgages to Canadians. By reducing the down payment required to purchase a home, the Mortgage Loan Insurance Program makes home ownership more accessible to moderate income households.

It is a vital component of ensuring that all Canadians, regardless of where they live, have equal access to mortgage funds needed to acquire decent, affordable housing.

[English]

Let me give you an idea of the extent to which Canadians depend on mortgage loan insurance in order to fulfil their dream of owning a home. Mortgage loan insurance has allowed many people to become homeowners, some who would not otherwise have been able to buy, others who would have been able to make their purchase sooner because of the lower down payment.

In 1994 alone, CMHC mortgage loan insurance helped to house over 300,000 Canadian families at no cost to the government.

My colleagues will also be interested to learn that this means that approximately 40 per cent of the residential mortgage stock in Canada has involved financing by CMHC mortgage insurance last year. Without mortgage loan insurance, Canadians who do not have a 25 per cent down payment would generally never have access to home ownership.

[Translation]

CMHC Mortgage Loan Insurance has demonstrated the flexibility to facilitate innovation in housing finance. This is a critical feature, given that the needs of mortgage borrowers, and the market within which these needs are met, are constantly evolving. In 1987, the program was improved to allow for the insuring of second mortgages, an innovation that has been particularly helpful to people who need additional money for renovation.

*Government Orders**[English]*

In the following year, the chattel loan insurance program was introduced as a five-year experiment to cover loans made on mobile homes and to help people who choose this kind of affordable home ownership. This coverage for mobile homes has now been made a regular part of the mortgage insurance program as per the announcement made by the the minister responsible for CMHC at the beginning of this year.

- (1010)

In 1992 the mortgage insurance program was expanded to accommodate the reduced down payment for first time home buyers making home ownership even more accessible to moderate income households.

This program, called First Home Loan Insurance, has provided Canadians with their entry point to home ownership. May I reiterate to my hon. colleagues that the success of this initiative has been achieved without any cost to the government.

[Translation]

We want to ensure that CHMC can continue to provide that kind of market support in the future. That is why this legislation is before the House today. CHMC is continually reviewing the Mortgage Loan Insurance Program and regularly introduces changes to make it more effective and more convenient for both approved lenders and home buyers.

[English]

By exploring new housing finance options for Canadians we are looking to promote greater choices, lower the costs, increase the accessibility of housing finance and assist borrowers to meet their financing needs within their own resources.

[Translation]

CHMC will continue to encourage innovation and creativity in housing finance through the Mortgage Insurance Fund to promote greater access to housing markets for the benefit of all Canadians.

[English]

Besides helping Canadians to become homeowners, CMHC mortgage insurance has been key to the health of the housing industry in Canada. By fully protecting approved lenders against default on the part of the borrower, mortgage insurance encourages investment in residential construction.

The federal government, through CMHC, has been providing national mortgage insurance for four decades. CMHC has remained a significant player throughout this time with a mandate from the federal government to provide mortgage insurance to support loans to all Canadian home buyers regard-

less of where they live in Canada at the smallest feasible down payment and the lowest feasible cost.

[Translation]

Today, the private housing market is able to meet the housing needs of the vast majority of Canadian households. There is no doubt that CHMC's Mortgage Loan Insurance has played a critical role in that achievement. CHMC's Mortgage Insurance Program experienced a record year in 1994 in terms of volume. A number of unexpected factors led to the significant increases in activity last year. Mortgage rates dropped to their lowest levels in 30 years, much lower than anticipated. Low inflation has kept house prices stable and more affordable.

As well, the rapid and continued success of homeowner incentive policies, including the First Home Loan Insurance Program and the RRSP Home Buyers' Plan, contributed to record volumes of insurance activity last year.

[English]

When the Mortgage Insurance Company of Canada stopped underwriting new mortgage insurance business in April 1993, CMHC had to assume 100 per cent of residential mortgage insurance activity. Furthermore, a greater proportion of all mortgages have been insured by CMHC in recent years.

In 1994, CMHC insured 40 per cent of all residential mortgages initiated, up from 22 per cent in 1991. Because there is some lag time between insurance loans and receiving the reports from the approved lenders, it was only in 1995 that all the figures for 1994 were compiled. At that time it was realized that the \$100 billion maximum aggregate loan insurance currently stipulated in the National Housing Act had been exceeded. For this reason the provisions of this bill are effective starting 1994. I hope members of the House will see fit to give swift passage to Bill C-108 so that CMHC can continue to promote access to home ownership through mortgage loan insurance.

- (1015)

As I have stated and as my colleagues are aware, the purpose of the bill is to increase the maximum aggregate mortgage loan insurance. This will enable CMHC to continue underwriting home mortgage loan insurance within the legislative limit. Considering the housing sector's importance to the well-being of the nation, CMHC is committed to a stable supply of housing that increases economic and social opportunities for all Canadians.

With CMHC's mortgage loan insurance program qualifying home buyers anywhere in Canada can secure up to 95 per cent of home financing with an approved lender. Mortgage insurance through CMHC also provides a means of introducing guarantees for innovative mortgage products to benefit consumers, for example mortgage backed securities which increase the pool of funds available for mortgages and competitive rates.

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The corporation continues to develop new initiatives and adapt existing ones to meet the challenges of housing Canadians adequately into the new millennium. Among the new initiatives being examined are alternative financing mechanisms for homes such as reverse annuity mortgages and shared equity financing.

CMHC has a role to play in helping Canadians to access decent affordable housing. CMHC continues to provide social housing assistance to support more than 661,000 existing units that house over one million low income Canadians whose housing needs cannot be met through the housing market. This housing assists some of the most disadvantaged members of our society including seniors on fixed incomes, aboriginal people, persons with disabilities, single parent led families, social assistance recipients and the working poor.

To solve today's housing problems and define tomorrow's housing needs CMHC is involved in research and development both independently and with industry and government partners. CMHC's research into sustainable development, quality of life, housing technology and building science promotes good living environments that are safe, healthy and sustainable. As well CMHC is helping the Canadian housing industry to promote the Canadian housing system abroad by helping to develop housing export strategies to assist the Canadian housing industry to market Canadian housing technology, products and services in world markets.

[Translation]

Through its Mortgage Loan Insurance Program, CHMC continues to make housing more accessible for Canadians. The Corporation is also working to improve housing affordability.

The federal government through CHMC is committed to a stable supply of affordable and accessible housing that increases economic opportunities for all Canadians. CHMC's market housing programs promote affordable housing and equal access to financing through financial instruments such as mortgage loan insurance.

[English]

Moreover, CMHC provides mortgage insurance to all Canadians regardless of where they live in Canada at the smallest feasible down payment and at lower cost. To improve access to an affordable form of housing CMHC also provides mortgage insurance for manufactured housing, for example mobile homes. In January 1995 the minister of public works recently announced an expanded chattel loan interest program that includes resale of manufactured housing units.

CMHC also helps to ensure Canadians are well housed by pursuing and encouraging housing innovation and by developing national housing policies in concert with provincial and territorial partners, the housing industry and non-profit groups.

[Translation]

One important way CMHC levers the efforts of its partners in Canada's housing sector is CMHC's Canadian Centre for Public-Private Partnership in Housing. The Centre acts as a catalyst and a source of expert advice.

• (1020)

It brings together the public and private sectors, non-profit organizations and private citizens to develop low to moderate income housing projects without the need for government subsidies.

[English]

CMHC is also contributing to making housing more affordable through better housing regulations. The affordability and choice today program funded by CMHC encourages regulatory innovation in municipalities across Canada. The ACT program encourages the housing industry and municipalities to work in partnership to improve housing affordability and choice. More than 80 ACT projects are developing a wide range of practical approaches to streamlining approval processes, developing new forms of affordable housing, facilitating infill and conversion, and adopting alternative development and building standards.

As I have said Bill C-108 is an administrative bill. As my colleagues know, the bill is crucial to ensuring that CMHC can continue to offer mortgage loan insurance to Canadians. Through its mortgage insurance activities CMHC has been responsible for helping many Canadians become homeowners and we want to ensure that it can continue to do that.

[Translation]

I would like to take a few minutes to talk about a complementary initiative, First Home Loan Insurance, introduced by CMHC in February 1992, to make home ownership even more accessible for first time home buyers. Earlier this year, the Hon. David Dingwall announced that the maximum eligible house prices for First Home Loan Insurance were increased in 30 communities across the country.

This initiative allows more first time homebuyers to purchase a home with a down payment of as little as five per cent. Anyone who buys or builds a home in Canada as their principal residence is eligible for the lower down payment, as long as they have not owned a home at any time during the last five years.

[English]

First home loan insurance was initially in effect for a two-year period but was extended for an additional five years until 1999.

The 5 per cent down initiative has been a major success in helping to increase home ownership in Canada. Thanks to the reduced down payment home ownership has moved from a dream to a reality for the many Canadians who can afford

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monthly mortgage payments but are having trouble saving for down payments.

The statistics speak for themselves. Since November 1993 over 210,000 Canadian households have taken advantage of the lower down payment to become the proud owners of either a new or existing home. In April 1994 a survey of Canadians who bought homes with less than 10 per cent down showed that 72 per cent of them would not have been able to purchase their homes when they did without the reduced down payment.

The first home loan insurance initiative is constantly being monitored to ensure that it continues to meet the needs of Canadians. CMHC is committed to helping Canadians who desire to own a home and have the proven financial management capability to do so.

First home loan insurance is an excellent example of CMHC's ability to adapt its mortgage loan insurance activity to ensure that Canadians can enjoy the benefits of home ownership.

Allow me to speak on the importance of Bill C-108 by describing an initiative of CMHC which has as its foundation the flexible use of the mortgage insurance fund. I am referring to the Canadian Centre for Public-Private Partnerships in Housing which I mentioned earlier. Allow me to take a moment to provide the House with some details about the important work being undertaken here.

The partnership centre was established by CMHC in 1991.

[*Translation*]

Its objective is to bridge the public and private sectors to facilitate the production of cost-effective and accessible housing for low to moderate income households, including those with special needs. The centre ventures into new areas through such means as innovative financing and tenure arrangements.

• (1025)

Much of the centre's activities are accomplished at the grassroots level with a view to encouraging a wide variety of people active in their community to become involved in newly created housing partnerships.

[*English*]

The partnership centre identifies opportunities and brings together potential partners to develop and implement public-private partnerships. It acts as a source of best advice by offering an advisory service to potential partners to identify the key legal, financial and regulatory issues that need to be considered in structuring a deal.

Since its inception the centre has ventured into innovative tenure arrangements such as occupancy rights, life leases, equity co-ops, as well as a home ownership equity partnership

program. As at the end of June of this year the centre had facilitated the realization of 79 projects totalling in excess of 4,200 housing units.

Allow me to take a minute to outline a few innovative projects that have been made possible by CMHC's Canadian Centre for Public-Private Partnerships in Housing.

Vancouver's Khatsahlano Equity Housing Co-operative offers affordable housing for families. Equity co-operatives are ongoing housing co-ops that are financed entirely or partly from the investment of their members.

Traditionally aimed at seniors, they are now becoming an affordable housing alternative for a growing number of Canadians. This project demonstrates that it is possible to provide families with affordable housing options in a market where starter homes are very expensive.

[*Translation*]

Two non-profit groups in the province of Quebec, both dedicated to helping people with psychiatric and developmental handicaps, are buying and renovating houses and will run them as group homes. In Montreal, Centre de crise "Le Transit" is purchasing a house in a mixed residential downtown neighbourhood to accommodate eight adult residents referred to them by city-run and charitable social services agencies.

A similar project in Granby will house 12 residents in a triplex being purchased by L'Autre Versant Inc., a local non-profit group organized five years ago to provide homes for people with psychiatric and development handicaps. Both these projects are being made possible thanks to CMHC-insured mortgage loans supported by the Partnership Centre.

[*English*]

Clearly CMHC's partnership centre and its innovative uses of mortgage insurance are making great strides in increasing the supply of affordable housing for low to moderate income Canadians including those with special needs.

As I have stated before, Bill C-108 is an administrative bill to facilitate the continuation of mortgage loan insurance under the National Housing Act. As my colleagues well know, CMHC has an important role to play in helping Canadians gain access to home ownership.

CMHC's mortgage loan insurance with its mandate to provide equal access to Canadians throughout the country is important to achieving that goal.

CMHC has a unique role of ensuring equal access to Canadians throughout the country. This is one of the major factors that distinguishes CMHC's operation from mortgage loan insurance operations. Without CMHC's commitment to provide mortgage loan insurance in the small communities of the

country, places that private insurers have not traditionally wanted to serve, many Canadians might not be able to buy homes.

Let me illustrate how important CMHC loan insurance is to Canadians in small communities. Take for example CMHC loan insurance activity in the municipality of Brooks, Alberta, with a population of 10,000. In 1994, 137 households were able to access home ownership thanks to CMHC's mortgage loan insurance.

This year, as of September 30, 153 households became proud homeowners, again thanks to CMHC. Make no mistake about it, if CMHC were not in the mortgage loan insurance business these 290 families in Brooks, Alberta, might not have been able to buy their homes. I would further like to point out that these 290 households represent 83 per cent of the total number of 349 households who bought homes in Brooks, Alberta, during that period.

• (1030)

[*Translation*]

The government knows just how much Canadians value home ownership. It represents a major portion of wealth accumulated by households. For some it is a source of retirement income. It is also an important component of quality of life.

[*English*]

We believe that every Canadian should have access to home ownership. CMHC mortgage loan insurance can turn the dream of owning a home into a reality. It is therefore critical that CMHC be able to continue to provide mortgage loan insurance to Canadians now and in the future. This is why I support Bill C-108.

I hope my colleagues will see fit to give swift passage to this administrative bill so that CMHC can continue to help Canadians realize their dream of owning a home.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Good morning, Mr. Speaker. We will, of course, support the bill introduced by the parliamentary secretary since we agree with what it proposes to do, which is to increase the aggregate amount of loans that may be approved by the Canada Mortgage and Housing Corporation to \$150 billion, but the fact remains that it all seems very unsatisfactory.

We must admit that, at the very least, there is something embarrassing, disturbing and unsatisfactory about the fact that we have before us a bill that reminds us that the federal government's involvement in the housing sector, through this flimsy vehicle, the Canada Mortgage and Housing Corporation, consists exclusively of loan guarantees.

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We must not forget it has been some years—in fact, since 1989 but even more so since 1992—since the federal government withdrew altogether from the construction of social housing. Remember this: It completely withdrew from this sector, and I intend to give chapter and verse later on. There is something here that arouses a sense of outrage and indignation—and I hope the parliamentary secretary, who I know is sensitive to these issues, will share my sense of outrage and indignation—when we see that the federal government, with all the resources at its disposal, has nothing to offer except loan guarantees through the Canada Mortgage and Housing Corporation. Meanwhile, it has withdrawn from the construction of social housing, it completely abolished its co-operative housing policy in 1992, which the Liberals had promised to reinstate, and plays no role at all in housing renovation.

We have a definite problem with this. And anyone in this House who has a social conscience must feel the same. As for amending the National Housing Act and having a debate on housing, what are we entitled to expect from the government? We have a Liberal government that does not believe that poverty is acceptable, that believes that being a Liberal means embracing the philosophy of liberalism. Embracing this philosophy means believing that the state has a role to play in putting an end to the disparities in our society.

I know the parliamentary secretary agrees with me. As the member for Hochelaga—Maisonneuve, I am disappointed. And if the hon. member does not agree with the substance of what I am saying, I am sure that by the end of my speech he will have changed his mind.

The issue is one that concerns me, as the member for Hochelaga—Maisonneuve and as a former member of the board of a technical resources group that examined these issues. I have been involved in housing issues since I was 20, and I am now 33, although I may not look it. The fact remains that I have been involved in the housing sector for nearly 13 years. And I am shocked that this government has nothing to offer in the way of social housing.

It is particularly shocking this morning, when we are asked to discuss the role of the Canada Mortgage and Housing Corporation at a time when poverty, both in Canada and Quebec, is more widespread than ever before. This is serious.

• (1035)

As members of Parliament, we all represent ridings, and when it comes down to it, we all want to work for the people who elected us. We all know that housing, the right to have a decent roof over your head at a decent price, is something that is central to people's lives.

The debate this morning comes at a time when there is more poverty than ever before. Mr. Speaker, let me quote a few figures. When we talk about poverty, we should remember that in Quebec, to give you a very specific example—or perhaps we

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should look at the situation in Canada as a whole, where the poverty rate is now 17.4 per cent. So what does poverty mean? Poverty is when a household has to spend more than 55 per cent of its income on three basic items: rent, food and clothing.

We live in a society where poverty is more widespread than ever before. And since we live in this society, we have every right to expect the Liberal government to be a little more enterprising, to come up with a proposal this morning that is more intelligent and more pro-active than approving loan guarantees, since even the parliamentary secretary admitted this did not represent any additional cost to the public purse. The parliamentary secretary was very frank at the beginning of his speech when he said this was a program, a loan guarantee that was self-financing and did not cost the treasury a cent.

Is the parliamentary secretary satisfied? Does he approve of the fact that his government, considering its responsibilities at a time when more people are poor than ever before, when, according to Statistics Canada, we have never been so short of housing? When the parliamentary secretary goes to bed tonight with his beloved, will he be pleased that his government has nothing to offer but a loan guarantee which puts no strain on the public purse?

That does not satisfy me. I do not think that it is politically defensible. So 17.4 per cent of Canadian households are classified as poor. This means that 17.4 per cent of the population belongs to a household which spends 55 per cent or more of its income on the three basic items.

I know we are just coming out of a referendum campaign, and that events in the months to come will mean that the issue is not totally closed, but speaking as a levelheaded, rational man—two qualities which I think the parliamentary secretary will agree describe my character—I feel that, when evaluating federalism, it is our duty to recall that Quebec, as we speak, is the province with the highest rate of poverty.

As we speak, Quebec has the highest number of poor households anywhere in Canada. If the parliamentary secretary is sceptical, I can provide figures. The most recent figures available are for 1993: Newfoundland, 17.7 per cent of households; P.E.I., 9.9 per cent; Nova Scotia, 5.5 per cent; New Brunswick, 14.5 per cent; Quebec, 20.7 per cent.

This means that 20 out of every 100 households are those of people who are among the poorest in Canada. This is the reality the federal regime has inflicted upon us. And this is not a mindset, a political pipedream, but something confirmed by Statistics Canada.

So the figure in Quebec is 20.7 per cent; in Ontario: 15.6 per cent; in Manitoba, 18.1 per cent; in Saskatchewan, 17 per cent;

in Alberta, 17.6 per cent. In a context where Quebec has the highest number of poor households, in a context where we are aware of the importance of housing in balancing individuals' and families' budgets, we find ourselves faced with a government that has nothing to propose except the addition of a measure like any other government action relating to shelter, a loan guarantee. One that they have the gall to describe as not requiring anything from the government, from the public purse, because it is self-sustaining.

• (1040)

As the member for Hochelaga—Maisonneuve, as an individual who believes in democracy, I wish to state that it is my belief that the government is not assuming its responsibilities, that this is shameful, that this is unacceptable, that it is just one more reason to separate, because we have no need of a government that cannot offer us anything in the area of housing.

If the parliamentary secretary finds that I am overdoing it, he has only to get up off his chair and add some substance to his proposals on housing—at this time, as we speak, all of my friendly feelings for the parliamentary secretary notwithstanding, we have every reason for dissatisfaction. But I want to get back to the subject of poverty in Quebec.

Quebec has 24 per cent of the total Canadian population. The federal government gains 23 per cent of its income from Quebec's individual or corporate taxpayers. Thirty per cent of all of those living in poverty live in Quebec. There is one other reality which characterizes Quebec and militates in favour of more government involvement in social housing: more Quebecers rent their homes than the Canadian average.

This means that more individuals in Quebec have insufficient income to own property. This is why we feel a government must be involved in social housing. What is social housing in its co-operative or NPO form? I shall come back to that later.

When a government sets aside public funds for social housing in co-operative or NPO form, this is because of a belief that there are people whose income alone, without a little help from the government, will never enable them to own property.

This is a trend which a self-respecting government, a government with some social democratic leanings will take action to correct—and I am sure that the Government whip either lives in a co-op or has plans to do so, since he shares our slight socialist bent.

All of this to say that, in Quebec, 44.4 per cent of households are tenants; 44.4 per cent rent their homes, while the Canadian average is 37.1 per cent. We would, therefore, have had reason to expect this morning that the government would have a somewhat more substantial policy to provide support to the provinces in the whole area of public housing.

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I say “a somewhat more substantial policy” with respect to the provinces, because it is clear in my mind that federal government involvement in housing must take the form of a transfer of funds or budget allocations, where the funds are managed by the government of the individual provinces. I say this, because it is clear, constitutionally, that the federal government has no authority to intervene in the matter of housing.

When it does, it is obviously contravening the Canadian constitution, because neither section 92 nor section 93 accords the federal government jurisdiction over housing. We must remember, however, that, if the federal government is to be involved in public housing, as I think it ought, it is by transferring money to the provinces, which want to be involved.

No one is saying the government should not set funds aside. We acknowledge that it has a fiscal capacity, access to areas of taxation that justify its setting money aside for the provinces.

I have an example for hon. members. Quebec has a program, I do not know if the parliamentary secretary is familiar with it, called Logirente. It targets people 55 years of age or older, who have difficulty paying their monthly rent on the basis of their incomes alone.

The government of Quebec assists those who meet the eligibility criteria with their rent payments monthly.

• (1045)

Some 60,000 people benefit from this program at the moment. Quebec officials asked the federal government if it could also get involved and make some money available.

Had the federal government agreed, through an administrative agreement, to become involved in the operation of the Logirente program, we estimate that 145,000 households and families could have been helped, instead of the present 60,000.

This is the role of government. What is the point in having a federal government that could care less about getting involved in people's lives when the most fundamental of needs are at issue? You will not be surprised to learn that the federal government refused to get involved in the Logirente program, thus ensuring that 60,000 households rather than 145,000 could benefit from it. This is one case where federalism is not working, and where a sovereign Quebec could have, on its own and totally, a housing policy it alone established, one that functioned independently under its control.

I would like to come back to something I consider absolutely essential, something that could have helped us through the difficult years of the last recession and could help Canadians through the next recession. The program we must talk about and one I encourage the federal government to re-establish with the provinces is, obviously, the co-operative housing program.

Mr. Speaker, you will remember that, in 1992, the federal government of the day abolished it without so much as a warning cry, a hint of its intention or consultation of any sort. Of course the parliamentary secretary will say it was not his government. That is true. Nevertheless, his government has not taken any positive action to date to re-establish it. Despite the fact that the Canada Mortgage and Housing Corporation is relatively well off, we have not found a way to use public money to establish a co-operative housing program.

What does a national co-op program entail? First of all, a national co-op program requires that people be responsible since co-op members must choose a board of directors and acknowledge their responsibility to manage and maintain the building in which they live. This implies that they feel concerned about their environment.

There are now 40,000 people—I hope the parliamentary secretary will admit that these are real figures, and I invite him to check their accuracy—on the Canada Mortgage and Housing Corporation's waiting list for co-op housing. As a member of Parliament who believes in co-op housing, I am proud to remind you that, between 1973 and 1992, 85,000 units were funded by the provincial and federal programs then in effect, particularly by the federal government because it is mostly at that level that programs were available.

Co-op housing was found for 255,000 low income people. What is the reality? The reality is that, as we speak in November 1995, 66 per cent of households in co-op housing have incomes less than \$30,000, or a third of what MPs earn. We should keep this in mind. We can still agree that, in 1995, a yearly income of \$30,000 is certainly a modest or average income.

• (1050)

In the past, and especially during the last federal election campaign, I heard members say that some co-op members were making \$60,000, \$70,000 or \$80,000, and that co-op housing was reserved for the better-off in our society. When we look at the figures a little more closely, we see that co-op housing is a tool available to the poor or to honest, middle class people, since 66 per cent of co-op members, 66 per cent of households, make less than \$30,000 a year.

Thirty per cent of households in co-op housing across Canada are headed by single mothers. These women are their families' breadwinners. This shows that there is a need, that there are poor people who, for all kinds of reasons, were not able to buy their own homes.

It is reasonable to think that a decent government, one that lives up to its responsibilities and cares about the people, could not tolerate a situation in which the federal government has nothing to offer people with housing programs.

The main paradox of the federal government's withdrawal from the housing sector, especially from co-op housing, is that,

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in the past three years, unemployment in the residential construction sector has hovered around 20 per cent. I think that the hon. members in this House would agree with that figure.

As our grandparents used to say, and I am sure that your grandmother also said it, "as the construction industry goes so goes the world".

Why is it that, with an unemployment rate of 20 per cent in the residential construction sector, the government does not realize that one way to revitalize the Canadian economy would be to promote the construction of co-op units?

Let us not forget that, for every 1,000 co-op units built—I have the figures here—2,000 direct jobs are created. The parliamentary secretary should never forget that, every time public assistance makes it possible to build 1,000 co-op units, 2,000 new jobs are created.

There are not many sectors in which government initiatives give a 200 per cent return. But in the housing sector, for every 1,000 co-op units built, 2,000 direct jobs are created.

Why does the government not understand that reality? Why is the government so dull witted and narrow minded? Why can the government not see the obvious? Can we rely on those government members who represent ridings, in Montreal and in the regions, where there is a need for co-op housing? I ask these members to get a little more involved and show a little more respect for the people who need the government's assistance to take action.

The influence of the Quebec Liberal caucus on cabinet is aptly described by the movie title *The Silence of the Lambs*. We truly feel that the Quebec Liberal caucus has no desire to make representations to cabinet to correct the major fundamental injustices suffered by Quebecers because of policies put forward by this government, particularly in the housing sector.

• (1055)

Since 1989, the federal government has drastically reduced its support in the renovation and the co-op housing sectors, including its support to homeowners. That withdrawal has had the effect of destabilizing public finances, as well as the economic situation of the poor in our society.

Let me give you an example. There used to be a rehabilitation assistance program for rental housing, which allowed people living in non-profit housing to get financing for up to 50 per cent of the costs of renovations to a housing unit. That was a joint program, with the federal and the provinces, Quebec in this instance, each assuming 50 per cent of the costs.

Then, all of sudden, without any warning, without any consultation, and in a period of widespread poverty, the federal government withdrew its financial support to the program. This resulted in a \$20 million shortfall for Quebec.

Let us take the important issue of social housing. There are, in every riding, people who live in low rental housing. We are proud of these people, because they are a very dynamic group within our community. People who live in low rental housing create a feeling of solidarity. They have community halls which often alleviate the problem of loneliness.

Mr. Speaker, believe it or not, the federal government bluntly withdrew its support to that sector. Since 1992, not a single low rental housing unit has been built in Canada or in Quebec. I am shocked and I find this irresponsible. I was hoping that, this morning, the federal government would have shown a desire to do more in the important co-op and social housing sector.

The Speaker: It being 11 a.m., we will now proceed to Statements by Members. Our colleague for Hochelaga—Maisonneuve will, however, have the floor again after question period.

The hon. member for Moncton now has the floor.

STATEMENTS BY MEMBERS

[*Translation*]

MINING

Mr. George S. Rideout (Moncton, Lib.): Mr. Speaker, I would like today to speak to regulations in the mining industry.

[*English*]

Regulatory reform has been an issue of great concern to the government. A climate of change will serve as impetus to continue pushing these efforts.

Canadians in Quebec and across the country have made their voices heard and have called on us to continue to make the changes necessary to do business differently.

The mining industry is a prime example of where regulatory reform must take place. It is also one of the six economic sectors targeted by the government.

The Minister of Natural Resources has responded to the challenge with the Whitehorse mining initiative and most recently a new policy paper on sustainable development in mineral and metals that was unveiled in Vancouver in September.

All parties must be prepared to address this issue with greater vigour and with the conviction that mining is essential to our economic balance sheet. Mining is a \$20 billion industry in this country and we need to ensure its viability for future generations.

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[Translation]

We will do what has to be done to ensure the future of the mining industry.

* * *

[English]

INDIAN AFFAIRS

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, the Minister of Indian Affairs and Northern Development has stated that one element of fulfilling the government's red book commitment is to "not require blanket extinguishment of aboriginal rights in the settlement of land claims".

A few of the Yukon bands that signed the umbrella final agreement after 20 years of negotiations are now refusing to abide by its terms. They want to know if they might get more with the new inherent rights policy. They want to know if they can sign a final agreement for hundreds or thousands of square miles of territories now, and not surrender their right to ask for more 10 years down the road.

Instead of certainty, the government has created uncertainty. The minister must clearly state that a land claim is final, that self-government does not mean entrenching special rights based on race in our Constitution.

We all agree we must reach fair and affordable settlements of outstanding native claims but we cannot and must not achieve finality by sacrificing the fundamental Canadian principle of equality.

* * *

ERIC ROBINSON

Mr. Wayne Easter (Malpeque, Lib.): Mr. Speaker, I am most pleased to offer congratulations to Mr. Eric Robinson, named to the Atlantic Agricultural Hall of Fame.

Eric's love for agriculture can be seen in his family, his farm, his community, and the company that bears his name. The company maintains two farming operations and also buys and sells potatoes for the domestic and export markets.

Eric's extensive travels throughout North America and Europe resulted in the introduction of new equipment that led to complete mechanization of the potato industry in Prince Edward Island. He was one of the first to use a bulk harvester and to import and grow the Russet Burbank variety, now the common variety grown in P.E.I.

A volunteer to many organizations, Eric was a member of the original P.E.I. potato marketing board in 1950.

* * *

WILKESPORT COMMUNITY CENTRE

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I would like to relate a success story in my riding of Lambton—Middlesex, based not on government handouts but on true community spirit.

I am referring to the recent facelift of Wilkesport Community Centre in Sombra township. The hall was built 17 years ago by holding various fundraising events in the community. The community centre consists of a 500-seat hall and three ball diamonds, which incidentally have brought Sombra township two Ontario championship teams and seven runners up.

Volunteers have given their time and effort to keep this hall successful by providing the township with a focal point for a wide variety of community events. Seventeen years later, this community is still strong and vibrant. The hall needed a facelift, and the community provided it.

My congratulations to all the residents of Wilkesport and area, whose hard work and dedication exemplify a united community spirit.

* * *

ED PEPLER

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, I would like to acknowledge one of my constituents who has returned from the Caribbean as a volunteer with the Canadian Executive Service Organization.

Mr. Ed Pepler of Hanover, Ontario recently completed a CESO project in Dominica. He was asked to start a furniture manufacturing workshop within a woodworking factory that was only producing small gift type items. Mr. Pepler oversaw the purchasing of machinery and taught the staff how to make furniture. The staff members were soon busy filling orders for the new products and were looking to hire three or four new people. The machinery, furniture, hardware, and tires for their vehicles were all purchased from Canadian manufacturers to help the plant.

Ed Pepler's efforts stand in the tradition of Canadian aid to the developing world. I and the town of Hanover, with its rich heritage in furniture manufacturing, and indeed the people of Bruce—Grey applaud the spirit of volunteerism and international co-operation of Mr. Pepler.

* * *

PARLIAMENTARY REFORM

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, on October 16 we witnessed an act of great courage in the House

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when a government member stood to speak out against the way the employment equity bill was handled in committee. His words from *Hansard* were: "I am a first time MP. I never dreamed ever that laws were created in this fashion".

At least 52 other members in the House agree that changes must be made to the system so that Parliament will function in a much more democratic manner. The present system is perfect for enacting a political agenda, but Canadian voters who pay our salaries are fed up with having Parliament force its will upon them and they are voting for change in greater and greater numbers.

We need more system changers in the House. If this does not happen before the next election it will surely happen during the next election. In the meantime, I ask the House to join me in congratulating all members of the House who have already shown that voting to represent their constituents takes precedence over the orders of the whip or the party line.

* * *

NATIONAL UNITY

Mr. Gordon Kirkby (Prince Albert—Churchill River, Lib.): Mr. Speaker, today I would like to thank the constituents of my riding of Prince Albert—Churchill River for their support for a strong and United Canada.

On Friday, October 27 a large number of Prince Albertans gathered to demonstrate their solidarity with Quebecers and support for a united country. Many others also signed a petition in which they stated their deeply held belief in Canada.

I wish to recognize four individuals from my riding who travelled to Montreal to attend the no rally: Lois Holcomb, Arlene Harper, and Jason and Karmen McNabb. I also wish to thank Val Longworth, who spearheaded a fundraising drive to assist these people to go to the Montreal rally. I also wish to thank those who financially contributed to this event.

● (1105)

While in Montreal I was particularly moved by the 150,000 voices singing *O Canada* and the outpouring of love for Quebec and Canada.

In closing, I wish to commend the constituents of Prince Albert—Churchill River for their commitment to our common values of democracy and tolerance and to a strong and united Canada.

* * *

[Translation]

HOLDING ANOTHER REFERENDUM

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, the Prime Minister is once again working to reduce the powers of the Quebec National Assembly, duly elected by the people of

Quebec. This is 1980 revisited. The member for Saint-Maurice wants to use the defeat of the referendum to silence sovereignists and prevent them from holding another one.

In learning that he would not recognize a slim yes vote, we realized his contempt for democracy, but we would never have imagined that he would ever consider restricting the democratic rights of his own people. If this is how the Prime Minister of Canada responds to the 49.4 per cent of the population of Quebec that voted yes last Monday, Quebecers will do everything they can to retain their right to speak freely on their future. Let the Prime Minister just try to muzzle Quebecers; they will have an answer for him.

* * *

NATIONAL UNITY

Ms. Susan Whelan (Essex—Windsor, Lib.): Mr. Speaker, I would like to thank the thousands of Canadians who went to the rally in Montreal and Canadians elsewhere in the country.

[English]

Canadians from all across Canada, including those from Windsor and Essex county who chartered buses from Windsor or joined the buses from London or drove or flew to Montreal on Friday, made a real difference by showing their support for Quebec and the Canadian Confederation. I want to thank them for their efforts and dedication.

[Translation]

I would also like to thank the other Canadians who did not go to Montreal, but who were there with us in their hearts.

[English]

Finally, I would like to thank Barry Fowler and all the Windsor Jaycees for creating the central image of the final days of the campaign with their monstrous six metre by nine metre Canadian flag, the largest in Canada. By holding and walking under the flag, Canadians at the rally created the key image on the front pages of the newspapers and on televisions in Quebec and outside of Quebec: that of the Canadian flag awash on a sea of support for national unity, carried by Canadians gathered from coast to coast.

* * *

NATIONAL UNITY

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, a week ago today well over 100,000 Canadians converged on Place du Canada in Montreal to stand on guard for their country. From every part of Canada they came because they care. The rally last Friday was a defining moment in the referendum and in our history. It was a beautiful moment, a moment the people of Canada cannot let us politicians forget.

All week I have been getting calls from people asking me what they can do to make sure their message was understood and remembered. I have a suggestion. I invite those who were in Montreal last Friday to take a few moments to put their thoughts to paper, to share with others how they felt and why they were there.

We must capture the spirit of the rally and build on it. Once you have done that, people of Canada, send me a copy of your letter or send it to your member of Parliament. I will undertake to safeguard those letters and make sure that every premier in the land gets a copy. Do it now. Keep up the pressure.

* * *

[Translation]

DEPUTY PRIME MINISTER

Mrs. Maud Debieu (Laval East, BQ): Mr. Speaker, in light of the disgraceful events yesterday in the House, the Deputy Prime Minister is clearly incapable of doing her job. In response to questions by the Official Opposition, she persisted in citing incorrect information in disregard of her responsibilities.

Her attitude certainly left something to be desired. Unable to justify the undemocratic remarks of the Prime Minister of Canada, she delighted in using diversionary tactics, which are inappropriate at this critical point in Quebec's and Canada's political history. Clearly, this government has lost control, and the Deputy Prime Minister no longer has any credibility, not only among Quebecers, but among all Canadians.

* * *

[English]

NATIONAL UNITY

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, on Monday some 49.5 per cent of Quebecers who voted yes to separation did so because they believe that status quo federalism is bankrupt and the government is incapable of carrying out necessary reforms. Others voted yes because they believed the claims of the separatist leadership that when countries split apart the process is quick, painless, and amicable.

• (1110)

The best way of combating these twin errors is for Canadian federalists to adopt a two-track approach. First we must advocate and implement a new confederation consisting of reforms that will decentralize the Canadian federal system. The Reform Party's 20-point new confederation proposal released several weeks ago outlines one method of doing this.

The Reform Party will also pursue a second stream intended to outline a formal Canadian position on the terms and conditions of separation if ever necessary. Such a position will make crystal clear to all concerned exactly what trials would be

involved should the separatists ever attempt to lead Quebec out of Canada.

By outlining a more attractive vision—

The Speaker: The hon. member for Saint-Denis.

* * *

[Translation]

QUEBEC ECONOMY

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, Quebecers have quickly turned the page on the proposal for a separate Quebec, as we learned this morning from a SOM—Le Soleil—Radio—Québec poll.

The poll, which was conducted between October 31 and November 2 among 812 people from all regions of Quebec, shows that 73 per cent of respondents want the Quebec government to participate in the renewal of the Canadian federation.

The poll also shows that Quebecers give priority to unemployment and deficit reduction as the first tasks that the federal government should tackle. Only 16 per cent of respondents see the renewal of federalism as a priority.

The people of Quebec have spoken once again. Let us hope that PQ and Bloc members will set their obsessions aside and address people's priorities.

* * *

YVES BLAIS

Mr. Mark Assad (Gatineau—La Lièvre, Lib.): Mr. Speaker, there is only one word to describe the comments made by Yves Blais, the PQ's regional delegate in the Outaouais, and that is blackmail.

When he visited the Outaouais in June, Mr. Parizeau made a commitment to give \$15 million to the Outaouais economic diversification society.

Mr. Blais said that only two promises were conditional on achieving sovereignty: the one I just mentioned and the promise to hire federal public servants living in Quebec.

Mr. Blais is making up excuses to justify his lack of respect for the people of the Outaouais who voted no to Quebec separation. After the regrettable remarks made by his leader, the PQ member is showing us another hidden side of the separatist movement.

* * *

QUEBEC

Mr. Maurice Godin (Châteauguay, BQ): Mr. Speaker, in the wake of the Quebec referendum, the Canadian provinces' great unanimity and unconditional declarations of love for Quebec have given way to backtracking and to a total lack of consensus. Once again, Quebec has been left to its own devices and its demands have been ignored.

Oral Questions

Premiers Filmon and Romanow want to take this opportunity to make cosmetic changes to the constitution. Premiers Klein and Harcourt, however, would rather wait until 1997 before doing anything. And what about the ineffable Clyde Wells, who is still incapable of understanding what Quebec is all about?

As for the Prime Minister of Canada, he will certainly not be the one to propose comprehensive changes. Is he even willing to consider Quebec's legitimate aspirations, or does he simply intend to put Quebec in its place?

* * *

[English]

GUN CONTROL

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I am aghast at the seeming arrogance of the Minister of Justice.

First he neglects to adequately consult his provincial counterparts and aboriginal representatives on Bill C-68, while claiming otherwise. Then he dismisses the concerns of the rural members of his own caucus. Next he grabs for himself the power to prohibit any firearm that in his opinion is not reasonable for use in hunting or sporting purposes.

During report stage of Bill C-68 the justice minister changed one of his own colleague's amendments, which would have limited the autocratic powers of the minister. The justice minister's extensive knowledge about firearms banned the Olympic shooting pistol.

For the first time in history the justice minister has granted the federal government the power to commence proceedings under the Criminal Code, clearly infringing on provincial jurisdiction.

Finally, the minister on his own has rendered the Senate useless. He has said that even if the Senate dares to amend his gun legislation he will not accept it.

Confidence, Mr. Speaker? No, I say arrogance.

* * *

• (1115)

CANADA REMEMBERS

Mr. Paul Zed (Fundy—Royal, Lib.): Mr. Speaker, on October 23 I had the distinct pleasure of presenting awards to the Minto Elementary and Junior High School and Chipman Junior-Senior High School in Queen's county, New Brunswick. They placed first and second for their contributions to the Canada Remembers contest in Atlantic Canada.

The contest was part of the Canada Remembers program. It encouraged all junior and senior high schools to participate in the commemoration of the 50th anniversary of the second world war.

It is this kind of community spirit which has been demonstrated in Minto and Chipman, New Brunswick which has led to the success of the Canada Remembers program and the successful commemoration of the 50th anniversary of the second world war.

I am extremely proud of the commitment demonstrated by the students. All of us congratulate them. We are very proud of their contributions.

ORAL QUESTION PERIOD

[Translation]

DEMOCRACY

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, yesterday on *Téléjournal*, the Radio-Canada news program, the Minister of Justice clearly mentioned the possibility of resurrecting a federal power that has not been used for more than half a century, the federal government's power of reservation and disallowance, to try and prevent Quebecers from voting when they see fit on their political future.

Does the Deputy Prime Minister agree it is inconceivable the federal government should try to use a power that has become obsolete, as the Supreme Court of Canada admitted, to prevent Quebecers from voting democratically on their political future?

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, Quebecers made a clear choice Monday night. Even the Leader of the Opposition agreed that the democratic position was to accept the fact that they voted no to separation. In Quebec, the Parti Québécois was elected with a majority of one-quarter point. And in this case, the Leader of the Opposition made it quite clear he would not challenge the referendum results. I think that if his members have any respect for democracy, they should not challenge them either.

The best way to prevent a second referendum is to renew federalism, and that is what 73 per cent of the population wants, according to a poll released today.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I am serious. The federal Minister of Justice says the federal government wants or may wish to use the power of disallowance to go over the head of the Quebec National Assembly. The minister is off topic and using all kinds of excuses to try to evade the issue.

How could the federal government even consider ignoring the powers of the Quebec National Assembly by using a power that, according to the Supreme Court, has become obsolete? Are we to understand that with this government, democracy comes second to federalism?

Oral Questions

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, let us hope the Parti Quebecois and the Bloc Quebecois respect democracy. Because if they have the slightest respect for democracy, they will accept the outcome of the vote last Monday, and they will abide by the wishes of 73 per cent of Quebecers who want the Quebec government to work towards renewing federalism. That is democracy. Democracy spoke Monday night, and the Parti Quebecois should listen.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, this from the Deputy Prime Minister of a government that, I may remind you, was formed by the party that introduced the War Measures Act in Quebec in 1970. We know your democratic propensities. A party that, through its Minister of Justice, tells us it will use a power now obsolete, the power of disallowance, to flout the authority of the Quebec National Assembly and ignore its decisions. And this party, which according to the Prime Minister would not have respected the results of the referendum, now wants to give us a lesson in democracy.

• (1120)

An hon. member: The nerve.

Mr. Gauthier: Are we to understand that because they have nothing to propose, because the provincial Premiers are starting to reconsider, because the government has no plan and because they know that next time, the Yes side will win, the government is desperate, and its only option is to deny the democratic system, either through the power of disallowance or by going before the courts?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I wonder what Anita Martinez thinks of democracy according to the Parti Quebecois. Anita Martinez is a 23 year old worker in Quebec who was accused by the Deputy Premier of Quebec of not being a real Quebecer.

Those people over there want to teach us a lesson in democracy, but we respect the results and we respect the fact that whether it is cast by a Nunez, a Martinez or a Lucien Bouchard, a vote is a vote, and the results of Monday night's democratic vote should be respected by the Parti Quebecois and the Bloc Quebecois.

* * *

DISTINCT SOCIETY

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, in the last stretch of the referendum campaign the Prime Minister of Canada, along with several premiers of English speaking provinces, clearly implied that changes were coming in Canada, particularly the formal recognition of Quebec as a distinct society. It would appear that the Prime Minister

is planning in the very near future to make a "motherhood" announcement of his intentions toward the distinct society.

Does the Prime Minister realize that bringing in any federal legislative measure whatsoever on the recognition of distinct society status will not offer any response at all to the legitimate aspirations of the Quebec people, for Quebecers want more than cosmetic changes with no true meaning?

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, when will the party of the official opposition give up on continuing to fight a lost referendum, and when will it start addressing the true problems of Quebecers, which are problems of unemployment and problems of investment?

We face the official opposition here as a government which is attempting to develop Quebec and Canada, which is attempting to reduce unemployment. We know that Quebecers want us to renew federalism and want to see the economic situation improved. And the official opposition is continuing to debate arguments that were settled on the evening of the referendum. Quebecers decided democratically that they did not want out of Canada, and I implore the official opposition to return to the path of duty and to defend Quebecers, to help us create jobs and investments.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, how can the minister talk about the real problems of Canadians, when the government is tabling no legislative measure whatsoever in response to those very problems?

Now, to my question. How can we have any faith in the Prime Minister when it comes to the distinct society, when his allies in English Canada wasted no time immediately after the referendum in diluting the content of the resolutions they had adopted in their legislative assemblies, particularly when we are familiar with the views of the Prime Minister, the man who killed Meech Lake, on the distinct society?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the person who changed sides, who jumped ship one month after the Meech Lake agreement, was the Leader of the Opposition.

It would be advisable, if the hon. member does not want to listen to the voice of the people as expressed in this morning's poll, for him to listen to the former leader of his party, Pierre—Marc Johnson, who today stated according to the Parti Quebecois that "the government ought to get busy instead with governing, given the unemployment situation and the pressures on the public purse".

If they will not listen to Daniel Johnson and the Liberals, they might at least listen to Pierre—Marc Johnson.

Oral Questions

• (1125)

[English]

NATIONAL UNITY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, Canadian federalists must never get into any future contest with Quebec separatists—and regrettably there will be one more contest—as ill prepared and ill equipped as they entered the last referendum campaign.

If we are to keep this great country together, we have to fight the separatist dream with a federalist vision, not the status quo. We have to fight separatist deceptions not with panic or propaganda, but with the naked truth about what separation really means. The time to prepare the ground is before, not during some future campaign.

I ask the intergovernmental affairs minister, in this period prior to the next real confrontation with the separatists, what is the government going to do to make the real consequences of secession crystal clear to every Quebecer?

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, during the campaign the economic arguments against separation were done well. They convinced a large number of Quebecers that separation was not in their economic interests and would be very costly especially to the vulnerable elements in society the separatists say they want to defend.

What is more important is that federalism is not the status quo. Federalism has been flexible. We indicated in fact, not in words like the opposition, that we were ready to reduce the size of the federal government and we were ready to review the powers of the various levels of government.

We are presently doing that. The federalism test we have applied is presently resulting in all kinds of powers being reassessed between the federal and provincial governments.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, it may be that some of the economic arguments on the dangers of secession were presented.

The sad fact is that on October 30 over 30 per cent of the people who voted yes thought they were voting for a new and better economic union with Canada rather than for a separate Quebec. The federal government and the no campaign failed utterly to get through to those voters on the negative implications of a yes vote. That simply cannot be allowed to ever happen again.

To prevent that from happening again, will the government begin to clearly and openly answer from a Canadian perspective all the what if questions which are raised by a Quebec secession

and which I presented to the Prime Minister on June 8, 1994 prior to the last campaign?

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 the question asked was confusing. We said that during the campaign. A number of Quebecers who voted yes voted yes under the misapprehension that a partnership was possible and that it was a mandate to negotiate.

What is important now is not to relive the referendum. It is important now to see that we have to reform Canada. The government has not only agreed to that, but we indicated that especially in last February's budget where we re-established fiscal responsibility and where we indicated the future elements of decentralization that should take place.

We are not in favour of decentralization for the sake of decentralization. We are for decentralization to the extent that it serves the people of Canada by making the various levels of government more efficient. We will not move in the direction of decentralization without justification.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the government can try to ignore 30 per cent of the yes people who thought they were voting for something else. I suggest that is keeping the government's head in the sand. That is not going to win the battle with the separatists the next time around.

• (1130)

Quebecers must know the Canadian position on terms and conditions of separation. Quebecers have to know the Canadian position on debt division, the Canadian position on boundaries, the Canadian position on protecting Atlantic Canada and the Canadian position on terms and conditions of trade.

Since over 30 per cent of yes voters thought they could keep all the benefits of Canadianism and vote for separation, will the government begin to spell out the Canadian position on terms and conditions of separation in order to make the negative consequences of separation clear to every Quebecer?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Canadian position includes Quebec. It is still part of Canada, thank God, after Monday night.

Even if the leader of the third party will not listen to members of the federal House who ask for his help in the rebuilding process, would he at least listen to the leader of the no forces, Daniel Johnson, who said yesterday: "Mr. Manning is playing into the hands of those who want to break up Canada by not recognizing some of the self-evident truths that this country is founded on". Please listen to Mr. Johnson and join Team Canada.

The Speaker: My colleagues, even though we are quoting someone else's statement, I would appreciate it if we would address each other by our ridings or our titles in the House.

* * *

[Translation]

RIGHT OF VETO

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

The day before yesterday, the Prime Minister stated in this House, and I quote: "I said it would be a veto for the people of Quebec". When questioned about the meaning of this statement, the Minister of Intergovernmental Affairs suggested that we ask the Prime Minister himself for clarifications, because he was unable to tell us what the Prime Minister meant.

Could the Deputy Prime Minister clarify for us what the Prime Minister was referring to when he spoke of a veto for the people of Quebec?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Bloc Quebecois is asking all kinds of questions about the promises made by the Prime Minister, but I can assure the Bloc that we will keep our word. We will stand by the Prime Minister's promise for change.

Let us just hope that the Bloc Quebecois will respect the result of Monday's vote, in which a majority of voters in Quebec said no to separation. They now want the PQ and the Bloc Quebecois to focus on the issues. Unemployment figures were released today. We should work together to find effective ways of dealing with the unemployment problem, instead of continually quarrelling about the constitution.

Mrs. Madeleine Dalphond—Guiral (Laval Centre, BQ): Mr. Speaker, the people of Quebec regard as important the questions that we, as the official opposition, ask in this House.

Could the Deputy Prime Minister explain how the Prime Minister can refuse to clarify what he really meant with respect to the right of veto, when the minister responsible, one of the brightest members of cabinet, admits to not knowing what the Prime Minister was talking about?

• (1135)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, obviously, members may ask any question they want. The question the people of Quebec are asking themselves right now is: When will the Government of Quebec and the Bloc Quebecois start focusing on the economy?

Oral Questions

We know for instance that the Parti Quebecois was prepared to put on the line billions of dollars from the Quebec old age pension fund, as Mr. Parizeau himself indicated when he said: "The defensive tools we are referring to certainly include the deposit fund. This, of course, represents a lot of money. Hundreds of millions of dollars". In fact, it is more like a few billion dollars. The Premier of Quebec was prepared to put on the line billions of dollars that Quebecers have contributed to the Quebec old age pension fund to further his own separatist ambitions, and the people have said no. Let us hope that he will respect their wishes.

* * *

[English]

FEDERAL—PROVINCIAL FISCAL ARRANGEMENTS

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, the federal government collects money from taxpayers in Quebec and other provinces. It then spends that money, after keeping some of it, on programs for manpower training, for immigration settlement and a whole range of programs, all with lots of strings attached that the provinces do not like.

My question is for any minister responsible for such spending programs. For the sake of unity, why do not the ministers responsible for this spending simply call up their counterparts in the provinces and say: "As of the first of next month we will send you the money, totally without strings attached, for you to spend any way in which you wish for the sake of unity"?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, I have to remind members of the third party that we were elected by Canadians like they were and Canadians did not ask us to implement every desire of the premiers of the provinces.

They asked us to act in their interests by spending the taxes we collect from all Canadians for the benefit of all Canadians, not for the benefit of province *a*, *b* or *c*, in particular, but within province *a*, *b* or *c*, for the benefit of all Canadians. This is how we differ from provincial governments.

In this case the question to be asked is are the interests of Canadians being served well? The record is clear. The country we have created is the proof. As the federal government we have been serving Canadians right. There are some fields where the powers of the various levels of government must be reassigned. But it must be done for reasons of efficiency and service to citizens, not for reasons of ideology.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, my question did not reveal ideology. It reveals a new position in which this country is finding itself, one over which the last election was not fought. At that time we did not know how

Oral Questions

strongly Quebecers felt about their desire to have control over these kinds of spending programs.

The ball game has changed. I would like to get to the question of spending another \$750 million on yet another program that not only we cannot afford but also impinges on provincial sovereignty, namely spending on day care facilities.

When will the Minister of Finance cancel the program that not only destroys national unity, but ruins spending programs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, we have heard a great deal of discussion in the House in the last few days about democracy. One clear responsibility of a democratic system is to respond to the desires of people as they express them at the ballot box.

• (1140)

In the last election in 1993 this party put forward a proposal for assistance to the provinces to enhance child care. In that way we could ensure a basic standard of development for children right across Canada regardless of the respective wealth of different regions. We want to ensure that in this new workplace where many families have both parents working, where there are many single parents who want to go back to work that need good care for their children, the federal government would provide assistance. The government does not want to impinge, does not want to take over. It wants to share, as we have always tried to do in this party.

In 1993 we received the mandate of 178 seats elected. That is why we are the government. That is why we intend to carry out a major investment in child care. It may not be the priority of the Reform Party but we happen to think that good care for children is a real priority for all Canadians.

* * *

[Translation]

CANADIAN TELEPHONE COMPANIES

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the Minister of Canadian Heritage.

As we know, several telephone companies ignored the CRTC's ruling or ban and allowed tens of thousands of Canadians to phone, at no cost, Quebecers to influence their vote on sovereignty.

Can the minister tell the House what penalties might be imposed to the telephone companies that violated the Quebec referendum act and ignored the CRTC's ruling?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, this really is a question for the CRTC. At this point, we do not have all the facts. As the hon. member knows, the CRTC made a ruling last Friday regarding the special rates announced by the telephone companies. That ruling should have been complied with by those companies.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, can the minister tell the House whether he intends to make sure that this issue will not be shelved and that these telephone companies will be given the maximum penalty, so that they do not again ignore the CRTC's rulings?

[English]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the request that the member puts to me is one that is not within my powers.

I find it surprising that the separatist movement is so frightened that Quebecers would hear the true views of Canadians from across the country that they want to put up walls around their province to keep those voices out.

* * *

THE ECONOMY

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, we both know and a lot of Canadians know there are a lot of problems in this country, not the least of which are the high levels of taxation and the huge debt this finance minister is proud to add to at the rate \$37.5 billion per year.

He said this on Wednesday: "This is a marked improvement in the fiscal situation and one which illustrates that making forecasts based on prudent assumptions will pay off. This is another good news report".

I am glad his family business is in trust because if he ran his business the way he runs the country he would be broke.

When will the finance minister do the responsible thing and present a balanced budget to all Canadians?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, I would have thought the hon. member would take some comfort in the fact that for the first time in over a decade we have a government that is capable of hitting its targets which is obviously very important in establishing the credibility of one's position.

At the same time we have indicated that the best way to control spending, the best way of keeping government's feet to the fire, is to operate on the basis of a set of rolling two-year targets. That is a process which clearly works and is one that we continue.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, let me try to keep the finance minister's feet to the fire.

Two years ago I ran to get rid of a government that ran up a \$38 billion deficit. Here we are two years later and nothing has changed. We are still bringing in deficits in the \$35 billion to \$38 billion range.

Once again for the good of Canada, for the good of the global market, when will this finance minister—if he is not capable, step aside—present a budget that is clear, that sets out a target as to when we will be at a zero deficit? When will he quit adding to the problem and quit playing his games with our future?

• (1145)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the deficit number two years ago that we inherited was not \$38 billion. It was \$42.5 billion. We improved on it by \$4.5 billion.

For the good of Canada, for the good of global markets, could the member opposite please get his numbers right.

* * *

[Translation]

REFLOATING THE IRVING WHALE

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, my question is directed to the Minister of the Environment. Early this week, the intrepid Minister of the Environment took advantage of the absence of Bloc members to accuse them of obstructing her plan to refloat the *Irving Whale*. The truth is, the minister is so incompetent that she is desperately looking for a scape goat to hide her own inability to find a safe solution to the problem of the *Irving Whale*.

Would the minister agree it is high time she showed some flexibility and agreed to appoint a panel of independent experts who would be able to find a safe solution that would take into account the presence of PCBs aboard the barge, something she has failed to do so far?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, we do have a safe solution. We plan to refloat the barge next spring, despite the official opposition which is still obstructing this plan and always has.

Mrs. Tremblay: Now look, it was the courts, not us. Really, now.

Ms. Copps: It is unfortunate that the Bloc is obstructing. One thing is clear: the Magdalen Islands RCMs are on my side, because they want the *Irving Whale* to be refloated.

Mrs. Tremblay: Exaggerating again.

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Ms. Copps: And that is not what the Bloc Quebecois wants, that is the truth.

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, we have just spent \$12 million for absolutely nothing. This is money citizens will have to pay.

Will the minister admit that the reason she is faced today with a worldwide campaign by Greenpeace, not just Greenpeace Canada but Greenpeace International, which has condemned her incompetence in this matter, the reason is she is incapable of considering an alternative to the least costly solution, which will cost twice as much as initially estimated and which is also the most dangerous one?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Greenpeace campaign stresses how important it is to refloat the *Irving Whale*. I hope Greenpeace will acknowledge there has been only one government in the past 20 years that had a policy for refloating.

Unfortunately, when the hon. member for Lac-Saint-Jean was Minister of the Environment, the *Irving Whale* was at the bottom, and there was no question of refloating. We are going to refloat it, over the protests of the Bloc members, and I am glad Greenpeace acknowledges the fact that refloating is important to prevent a crisis as a result of the leaks that are now occurring. That is why fishermen, the population and the RCMs on the Magdalen Islands support the policy adopted by the Government of Canada.

* * *

[English]

SEXUAL ABUSE

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, two weeks ago in Halifax the solicitor general announced the second phase of a national program to help protect the young and the vulnerable from sexual abuse at the hands of people in positions of trust.

Could the solicitor general tell the House how the new program would protect our children from potential sexual abuse?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the federal government is working with the Canadian Association of Volunteer Bureaus to carry out a program to educate voluntary organizations on the need for screening people who are seeking employment or volunteer positions working with children or other vulnerable individuals.

The program involves sending briefing books and videos to over 200 volunteer bureaus across Canada and to some 1,900 police services. There will also be a series of workshops conducted in over 200 volunteer bureau areas.

Oral Questions

This will supplement the program I announced last year of using the Canadian police information system computers managed by the RCMP to provide a screening system to help prevent people involved in sex abuse from taking up positions as volunteers or employees when it comes to working with children or vulnerable individuals.

• (1150)

The program is a worthwhile one and responds to the objectives of all Canadians. I hope it will have the support of all members of the House.

* * *

YOUNG OFFENDERS ACT

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, all Canadians are aware of the horrific torture of three Ottawa teens and the death of 17-year old Sylvain Leduc at the hands of a vicious youth gang.

The minister is aware the studies his department has received by noted criminologists state that young offenders believe there will be no serious consequences for criminal action and they will commit unlawful acts that include torture and violence.

Would someone on that side of the House explain why the minister will not put severe consequences in the Young Offenders Act for brutal, violent, sadistic crimes committed by young offenders?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the government has brought forward legislation to tighten up the Young Offenders Act and provide more severe penalties. The law has been adopted. It will go a long way to responding to the kinds of concerns raised by my hon. friend.

At the same time, the justice committee of the House has been mandated to carry out an overall review of the work with respect to young offenders. I hope it will be able to take into account the understandable concerns of my hon. friend. I appreciate his raising this important point.

Mr. Myron Thompson (Wild Rose, Ref.): Mr. Speaker, I remind the minister that these types of crimes are showing up more and more often and that they need to be stopped. If he is referring to Bill C-37, forget it; it will not do the trick.

I have a supplementary question. When will the minister change the Young Offenders Act so the names and pictures of violent and sadistic gang members such as the Ace Crew, regardless of their age, become available to the general public for its own protection?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, this information is available to and used by law enforcement agencies. The hon. member's suggestion is one that

can be given active consideration in the course of the wide ranging and urgent review of young offenders provisions currently under way in the justice committee.

I urge my hon. friend and his colleagues to take that review seriously and participate in the hearings so we will have a good result in the interests of all Canadians.

* * *

[Translation]

HAZARDOUS WASTE

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, my question is for the Minister of the Environment.

Recently, the *Globe and Mail* revealed that some people have managed to find a way to follow the advice of the Minister of the Environment, who wished to see Canada transform its environmental challenges into economic opportunities. Despite its regulations, Canada is in fact exporting hazardous waste to the third world.

Does the minister confirm her departmental employees' complaints of being so short of resources that they cannot assume their responsibilities and apply the regulations on hazardous waste exports properly?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): In fact, Mr. Speaker, during the review of the budgets for environment, the budget for protection was increased.

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, today the minister is avoiding direct answers with surprising regularity. I shall, however, try a supplementary.

Does the minister understand that she ought to ensure that her departmental employees apply existing regulations properly, rather than seek to set national standards and to continually meddle in areas of provincial jurisdiction?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, on the contrary, I am trying to follow the lead of the former Minister of the Environment, the hon. member for Lac-Saint-Jean, who stated that the federal government had not only a duty to be concerned about the environment, but a responsibility. And I endorse that statement by the hon. member for Lac-Saint-Jean.

* * *

[English]

VIOLENT CRIMINALS

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, one of the men wanted in the torture slaying of Sylvain Leduc was on parole at the time of the killing and wanted on a Canada-wide

warrant. John Richardson was on mandatory release from Millhaven penitentiary after serving just two-thirds of his sentence.

• (1155)

Reform has been asking for the elimination of mandatory release but our pleas and the pleas of many Canadians and victims of violent crimes have fallen on deaf ears.

My question is for the Minister of Justice or the Solicitor General of Canada. In view of the murders of Sylvain Leduc and Melanie Carpenter, also murdered by an offender on statutory release, why will he not move immediately to eliminate mandatory release?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):

Mr. Speaker, my hon. friend in beginning his question said that the individual in question was on parole. The person in question was not on parole. He had not been released pursuant to any decision of the parole board.

Instead, as the hon. member said later in his question, the individual was on mandatory release. The conditions in the law for the automatic sending of the person's case to the parole board for a detention hearing had not been met because the person's original offence did not involve crimes of violence or drugs.

With respect to the basic point he is making, most of the people on mandatory release are not involved in further offences. Experience has shown that a controlled period of supervision at the end of a sentence is the best way of ensuring that there are not further offences, something I hope the hon. member will support. I hope he will support measures designed to avoid further offences rather than steps that might create more.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, John Richardson was denied parole not once but twice because the parole board said: "There is indication of behaviour that demonstrates a potential to commit an offence involving violence".

When Richardson was released by statutory requirement, conditions were attached because: "You remain a high risk to reoffend". This evidence clearly indicates that the death of Sylvain Leduc could have been prevented.

When will the minister move to eliminate mandatory release to keep dangerous offenders locked up? When?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.):

Mr. Speaker, at this point the individual in question is wanted for questioning. Charges have not yet been laid against him.

The hon. member is jumping to conclusions which may or may not turn out to be correct. At the same time he is raising an

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understandable concern which I share. However the point he is making with respect to the absolute abolition of mandatory supervision does not fit in with reality. The best way to help ensure further offences do not take place is to have people under a form of supervision and controlled release into the community so that they will not do things that are likely to lead to further offences. Most cases of mandatory supervision turn out well and tragic incidents are the exception rather than the rule.

There is a provision in the law whereby if a person is considered to be likely to carry out further offences and certain conditions are met the case can be referred to the parole board for a hearing which can lead to the person's detention to the end of sentence. Unfortunately the conditions were not met because the person's original conviction was not for one of the offences in schedule one or two.

The hon. member calls for changes in the law. This can certainly be considered. If we present changes to the law I hope he will co-operate in ways that protect public safety rather than simply making a lot of noise about it.

* * *

TRADE

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, my question is for the Minister of Industry.

This week the House has been debating at second reading an act to implement an agreement concerning Canada's internal trade. Certainly in the province of Ontario members of the business community and consumers strongly support the legislation because it is good for our economy.

Will the agreement be as good for Quebec?

[*Translation*]

Hon. John Manley (Minister of Industry, Lib.): Yes, Mr. Speaker. Another economic study last week indicated that the provinces of Canada do twenty times the business among themselves they do with the United States, once differences in size and distance are taken into account.

This reveals the importance of internal trade for jobs and Canada's economic growth.

• (1200)

[*English*]

In trying to make the internal market work better in Canada, it would be very helpful in the context of the current debate if some members of the House were less concerned about what powers are exercised in what capitals and more concerned about looking at ways to make the internal market of Canada work better to create jobs and opportunity for Canadians across the country.

Routine Proceedings

[Translation]

PUBLIC FINANCES

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, my question is for the Minister of Finance.

Like the rest of us, the Minister of Finance noted the profound desire for change in the referendum. He is obviously very attuned to the question of public finances.

I wonder whether the Minister of Finance might not use this opportunity to put forward a national plan to the country to eliminate the public deficit and debt with objectives we could all support and joint deadlines and whether now is not a singular time to do so for the benefit of the country as a whole.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, the leader of the Progressive Conservative Party is entirely right to talk of a desire for change that is reflected right across the country, from Atlantic to Pacific. He should know that this very thing was discussed at the last two meetings of the country's finance ministers. I agree with him totally about what must be done, namely, drawing up a federal-provincial master plan with very clear objectives of consolidating public finances at both levels of government.

I can also tell him that the provinces have made a lot of progress, with one exception, perhaps, and that the federal government is now on the right track. We will have to continue in this vein, and I hope all the provinces will take part.

* * *

[English]

PRESENCE IN THE GALLERY

The Speaker: I draw to the attention of the House the presence in the gallery of the Hon. Wayne Gaudet, Minister of Agriculture and Acadian Affairs for Nova Scotia.

Some hon. members: Hear, hear.

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.

* * *

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I have the honour to present the 97th report of the Standing Committee on Procedure and House Affairs regarding the associate membership of the Standing Committee on Government Operations.

If the House gives its consent, I intend to move concurrence in this report.

[Translation]

With leave of the House, I move that the 97th report of the Standing Committee on Procedure and House Affairs be concurred in.

(Motion agreed to.)

* * *

● (1205)

[English]

PETITIONS

INCOME TAX ACT

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

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.

GOVERNMENT CONTRACTS

Mr. Charles Hubbard (Miramichi, Lib.): Mr. Speaker, I have a petition from my constituents concerning the methods our government might use in the area of furniture moving.

The petitioners indicate a concern that the proposed method, if adopted, could indicate that one company would have the entire system of moving furniture for all governmental departments. They petition that the former system, the one that has been in place for some years, be continued and that all companies across Canada be given some portion of that movement.

PAROLE

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, it is my pleasure to present another 1,239 names to the tens of thousands of signatures already submitted.

These 1,239 signatures represent people from across the country who are asking that Parliament enact legislation against serious personal injury crimes being committed by high risk offenders by permitting the use of post-sentence detention orders and specifically by passing Bill C-240.

RIGHTS OF THE UNBORN

Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I have a petition this afternoon signed by a number of people from all across Canada.

The petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the following question will be answered today: Question No. 209.

[Text]

Question No. 209—**Mr. Hart:**

With respect of the Department of National Defence's white paper promise to purchase new search and rescue and shipborne helicopters, (a) does the government intend to purchase one helicopter for both roles or two, (b) what is the total amount of money the government is allotting to the purchase of new search and rescue and shipborne helicopters, (c) over how many years will the new search and rescue and shipborne helicopters be purchased, (d) how much money will be allotted annually to a program to purchase new search and rescue and shipborne helicopters (e) is the government considering purchasing a scaled down version of the EH-101 and if so will companies awarded penalties due to the cancellation of the former government's EH-101 program be getting new contracts?

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): With respect to the purchase of new search and rescue and shipborne helicopters, the Minister of National Defence has not yet brought recommendations to his colleagues. Therefore it is

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premature to state what the government's intentions will be with respect to these projects.

* * *

[Translation]

QUESTION PASSED AS ORDER FOR RETURN

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question No. 208 could be made an order for return, this return would be tabled immediately.

[Text]

Question No. 208—**Mr. Hart:**

With respect to the decision by the government to cancel the EH-101 Program, (a) what is the total cancellation cost the government must assume including (i) penalties paid to contracted companies, (ii) research and development costs incurred by the government, (b) what was the total cost the former government had allotted to spend on the EH-101 acquisition program including spare parts and pilot training and (c) how much was to be spent annually on the EH-101 Program during the lifetime of the program?

Return tabled.

[Translation]

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

The Acting Speaker (Mr. Kilger): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

NATIONAL HOUSING ACT

The House resumed consideration of the motion that Bill C-108, an act to amend the National Housing Act, be read the second time and referred to a committee.

Mr. Ted White (North Vancouver, Ref.): Mr. Speaker, I am pleased to have the opportunity to speak on Bill C-108, an act to amend the National Housing Act. I am speaking on behalf of the member for Comox—Alberni, the Reform critic for Canada Mortgage and Housing Corporation.

This is actually a very brief bill and its intent is quite simply explained. Bill C-108 proposes to increase the aggregate amount of outstanding CMHC loan insurance from \$100 billion to \$150 billion, plus any additional amounts that may be authorized by Parliament. That means that CMHC's liability limit will be increased by \$50 billion. That is billions, not millions—fifty thousand million dollars, a huge increase over the present liabilities.

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I am not surprised that the Bloc would support such an increase in liabilities. It really thinks it is getting something for nothing. It thinks money grows on trees. The fact is it is a much more complex situation than that.

Many areas of concern are raised by this bill, concerns that are being voiced by Canadians right now. It surprises me that given the nature of this bill the government is not listening to those concerns. On second thought, maybe it is not such a surprise, given the history of the government so far.

• (1210)

Canadians are already very concerned about the current debt load. They are carrying that debt load and it is creating an inability for them to move forward financially or personally because of high taxes. Every way they turn they are being taxed over and over. There is no room to move. Pretty soon there will not be much left to tax.

The bill does nothing to halt the trend to ever bigger government and increasing public liabilities. It appears that the government is willing to gamble taxpayers' dollars at a time when the present debt is already more than \$564 billion and climbing by \$100 million every day.

Increasing the liability limit for insuring mortgages is nothing more than government speculation without any money. It is a trend that has been going on in other departments and it really must come to an end. The Liberal government has borrowed more than \$80 billion in the first two years of its mandate, and it is continuing to spend beyond its means. This year alone the government had to borrow another \$32 billion.

CMHC finances are actuarially accounted for every 20 years, so the Canada Mortgage and Housing Corporation does not know what its ultimate liability will be or what it really has outstanding right now. Bill C-108 should be of great concern to all Canadians, who can clearly see that the government is continuing to spend well beyond its means and incurring liabilities that on a standard accounting balance sheet would show that we are actually in very deep trouble.

By increasing Canada's liabilities we are increasing our risks. Although Bill C-108 does not ask for actual cash per se, it is increasing the liability, which will in the end cost taxpayers a tremendous amount of money if there is a major default. Loans and mortgages are not guaranteed; they can fall back on the government and lead to a further lowering of Canada's international standing and raise the overall debt.

Canadians are already staggering under an oppressive tax burden. They do not need government to dig them a deeper hole. They want to get out of the hole, as proven by the types of provincial governments they have been electing of late.

The government will not disclose its ongoing liability. I would like to see it publish a standard accounting style balance sheet once a year, as was done in New Zealand. Members know that I am originally from New Zealand. There is a law there that requires the government to actually print once a year all of its liabilities in standard accounting form. The first year the country did that, it discovered there was a negative worth in the country and it had to cancel a lot of the liabilities.

If standard accounting practices were used here in Canada to show the liabilities, we would probably find a network of debt and liabilities all strung together in a way that would be completely unacceptable and illegal probably in the private sector.

It certainly appears the government does not know how large the liabilities will be 10 or 15 years from now. Yet it is continuing to increase that liability load on us. This trend of increasing government liabilities across the board will only lead to the government overextending itself, to the detriment of taxpayers who bear the burden of the national debt.

Last week on television the Prime Minister spoke from Montreal with desperate pleas to Canada and promises to Quebec that the Liberal government would make changes if Quebec would stay in Canada. Yet it is ironic that on the eve of the Quebec referendum the government had the gall to table this bill. While the Prime Minister was in Montreal making overtures of a new and decentralized federal government, at the very same time his representatives in Ottawa were tabling a bill that takes us in exactly the opposite direction. So it should not be a surprise if Canadians find that the Prime Minister is trying to back down on his promise. Looking at this bill, it is obvious the government has no intention of decentralizing and that it really wants to cling to every piece of power it has.

When asked about promises of decentralization, all the Prime Minister could say is: "That is going to require a lot more thought and discussion, but I am sure there is going to be some of that". Some of that—what does that mean? Has the government not learned anything from the Quebec result? Did it not do any forward planning? Demands for decentralization are being heard across the country. They did not start with the Quebec referendum; they were there long before that. It takes a major crisis of unity in the country before the government will even begin to address the problems.

• (1215)

When asked about what degree of decentralization the government was considering, the Prime Minister responded that he did not know at this point in time. He did not know. More waffling as usual. Canadians are getting pretty tired of all the waffling from the Liberal Party.

The answer is right here in this bill. The government does not want to decentralize. It is looking to strengthen its federal control. Canadians are not going to tolerate the double talk for too long. Misrepresentation of intent from the government can be seen in the changes that are now sweeping the country at the political level.

The Liberal government's response to Canadians' desire for change has been totally inadequate to say the least. The status quo has got to go if we are going to move forward as a nation.

There was an example today in question period when we asked yet again about the Young Offenders Act. We have been asking week after week after week for two years and the government has done nothing to address the concerns of people. We still have these young punks out there who do not have their names or their pictures published. We have to get this government doing something for Canadians for a change.

Lingering uncertainty in Quebec continues to plague Canada's economic security. Only a few days ago it was reported in the newspapers that the bond raters are still uncertain about Canada's economic future because the Quebec situation remains unresolved. If the government cannot take steps to address the problems at hand, we are simply headed for more chaos.

The future financial stability of this country depends on how well this government addresses its fiscal problems. So far, the picture does not look very rosy. Canadians want a smaller federal government.

The minister responsible for the Canada Mortgage and Housing Corporation claims that his departments and responsibilities, including CMHC, are headed in that direction. However, this bill shows the federal government is actually moving in the opposite direction.

Instead of downsizing and moving away from the housing market, the government wants to put another \$50 billion of mortgage liabilities on the backs of Canadian taxpayers. This will increase the federal role, not downsize it as the government claims. If the government is as committed to decentralization as it would want us to believe, then why is the minister responsible for the Canada Mortgage and Housing Corporation grabbing for more money?

The federal government must realign its responsibilities with other governments in this country and the time to start doing it is now. It is absolutely necessary that the government take steps in the right direction, not backward as it is doing with bills like this one. In the light of the disastrous campaign the government led during the referendum debate, it is a pity it has not learned any lessons.

Canadians are taxed to the hilt with all the levels of government they are financing. Not only are they paying for services whose needs are often questionable, but they are paying for the

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same services again and again through user fees, not just at the federal level but at the provincial and municipal levels as well.

The Reform Party proposed in its recent 20-point plan for decentralization to totally transfer over to the provinces a number of areas of operation at the federal level that are duplicated at the provincial level. Those areas illustrate mostly a federal level of meddling in affairs that are actually set under the Constitution to be provincial. The federal government is long overdue in getting out of those areas of provincial responsibility.

This is not the time for the government to put up its feet and relax because it thinks it won the Quebec debate. It is time for the government to start coming up with a plan that truly decentralizes. One of the things it could be doing is moving total responsibility for housing to the provincial level. If the government would come up with such a plan, it would begin to save the taxpayers some money.

Perhaps it would not be such a bad idea if the government tried adopting the suggestions the Reform Party has made. We have offered the government the entire plan. We have dropped the plain brown envelope on the floor outside the office door of the Deputy Prime Minister. All she has to do is look inside the envelope to see what good ideas are shown there.

Yesterday in his speech at the Canadian Club in Toronto, the leader of the Reform Party received a standing ovation for the suggestions in that 20-point plan. It was very well received as could be seen by the live telecast of that speech on the "National" yesterday.

• (1220)

The Reform Party has been listening to Canadians. If government members need some help heading in the right direction, we are more than happy to assist. They just have to pick up the plain brown envelope off the floor outside the Deputy Prime Minister's office.

As I said, one of our proposals is for the federal government to get out of the housing business. If crown corporations like CMHC are truly self-supporting let us turn them over to the private sector. Areas which are perhaps socially oriented should be turned over to the provincial level.

Not only do Canadians want an end to federal interference in areas of provincial responsibility, they also want clearer distinctions of responsibility between the provinces. They do not want this muddled thing we have right now where municipal, federal and provincial governments get all mixed up together giving one another grants. It is like government incest in a way.

Canadians also want an end to federal interference in the private sector. They are sick and tired of the federal government interfering unnecessarily in their affairs.

Bill C-108 allows the Canada Mortgage and Housing Corporation to significantly increase its presence in the mortgage

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market. It represents a further intrusion into a private market and will lead to further distortions of that market.

The federal government is artificially inflating mortgages in urban areas in order to subsidize rural areas. The government's policy of cross-subsidization of mortgages means that houses in urban areas cost more to Canadians than they would if the federal government stepped out of the housing business in the first place. It is all very well to offer a lower price to rural residents, but why should urban areas bear the brunt of that cost? Federal meddling in the housing industry also means that private companies like GE are offering mortgages at a higher rate as well.

It is time for the government to stop artificially jacking up mortgage rates and to stop subsidizing one kind of mortgage by gouging rates on another. Let private industry do what it does best, provide consumers with competitive mortgage rates.

In terms of the 5 per cent down program, there is a very real danger that any economic downturn which continues the trend we have seen lately where property prices have been falling could create a situation where homeowners are left holding mortgages worth more than the property. It is a simplification for the government to say that the liabilities we are incurring have no cost. If the property market turns down and homeowners walk away from some of those commitments, the taxpayers are left holding the can.

I was in the U.K. in August over the summer break. Incidentally, my trip was paid for with my own funds and not those of taxpayers. I met with some bankers while I was in London. To my astonishment, I was told that because of the property downturn in the U.K. some banks are now holding a lot of mortgages in their portfolios which are currently valued at 120 per cent of the properties on which the mortgages were originally taken out.

The banks are also holding in their portfolios huge numbers of vacant properties because people have walked away from those commitments. That is a sign of the sort of disaster which can happen if the government does not take into account where these liabilities could lead.

It is pretty frightening that we are building up a liability account in this area of something of the order of \$150 billion. It is wonderful to offer this opportunity for new homeowners to get into home ownership, but to do it on the backs of the taxpayers is not a good idea.

For that reason among others, the Reform Party does not support an increased federal role in the mortgage market. We do not support increasing federal liabilities. We do not support federal meddling in the private sector and therefore, we do not support this bill.

In conclusion, I move:

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-108, an act to amend the National Housing Act, because the principle of the bill does not address the issue of transferring the responsibility of housing from the federal government to the provinces.

Mr. Milliken: Mr. Speaker, I rise on a point of order. The motion the hon. member just moved was a substantive motion and not an amendment to the motion now before the House. I do not believe it is in order.

• (1225)

The Acting Speaker (Mr. Kilger): We certainly take every consideration necessary before making the proper ruling. Having reviewed the full contents of the motion and its form as it is written here, the motion is in order.

Mr. Ovid L. Jackson (Bruce—Grey, Lib.): Mr. Speaker, it is a pleasure for me to speak about housing.

Since giving my first speech in this House during the throne speech debate, I have pledged to be one of those members who tries to make a difference and tries to make things work.

A wise man was once asked which was the most important level of government: provincial, federal or municipal. The wise man thought for a little while and responded by asking which was the most important leg of a three-legged stool.

We have had the referendum. I must say that I work in this House with all members from all sectors, the independents, the BQ, the Reform Party, the NDP, the Liberal Party and the Conservative Party. There is a lot of talent. Many of us are spending a lot of time on other things when the taxpayers have indicated there are so many restructuring things happening and the Canadian economy needs to be addressed. Yet we get into partisan discussions which are sometimes pretty nonsensical. We talk about devolution, restructuring and downsizing. Some people do not even know what the heck they are talking about with regard to those.

As a member of this House I am going to start talking directly to the Canadian people. They have sent us to this place to do a job. We have talents and we have to use those talents. We must use Canada's resources, both human and natural, to the best advantage for Canadians. Canadians expect to have jobs. They expect to have good health care and they expect to have good housing.

To address one of the points raised by the hon. member of the Reform Party, I remind him that the mortgage insurance premiums charged by the CMHC are sufficient to meet the risks being assumed at no cost to the government. The viability of CMHC's mortgage insurance fund is assessed annually by an independent actuary. An actuarial evaluation of the fund as of September 30, 1994 has confirmed its long term solvency.

Since 1946 CMHC has returned \$1 billion in the form of taxes and profits. The mortgage insurance fund contributed an additional \$35 million in 1992 to the consolidated revenue fund. The member also needs to be reminded that the activities of the fund contribute to the stable supply of affordable housing for all Canadians, including the handicapped and poor people.

No province has expressed an interest in moving into this sector of the economy. There is no duplication. A change in the market is essential for the viability of the fund. This balances the economic and budgetary risks. Clearly the third party is ignoring 320,000 Canadians who have purchased homes throughout the land with the fund.

• (1230)

Before returning to the substance of the bill I would like to address some comments by a member of the Bloc Quebecois. On one hand we have the Reform Party balance sheet argument. On the other hand I had a lot of sympathy for my friend from the BQ because he was looking at disadvantaged people. He talked about the fact that some of them made only \$30,000 and had problems.

I will return to the facts. I say as a mayor of a community that we needed intervention by governments. There were slum landlords. There were cockroaches. There was inadequate housing. The heat would be turned off at certain periods of time. That intervention has brought real standards so that we could have good homes for all Canadians.

The member opposite did not give the correct statistics with regard to the amount of funds spent in Quebec. I will address some of his comments. Between 1986 and 1993 Quebec received 29 per cent of all federal social housing units committed nationwide. In 1994–95 in Quebec \$357 million was spent on social housing. The member simply chooses to ignore the importance of that contribution.

That contribution means that 140,000 units of social housing received federal assistance in Quebec. It also means that Canadians in Quebec have benefited from federal programs like the residential rehabilitation assistance program.

One factor the member should be aware of is that the funding for new social housing commitments in Canada has been distributed according to a model established on need. That is why Quebec received 29 per cent of all federal units between 1986 and 1993. Additionally between 1992 and 1994 there were more than 53,000 instances of first home loan insurance for Canadians in Quebec. This is one example of what the federal government can do to assist all Canadians.

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This program costs the government nothing. CMHC has returned more than \$1 billion in profits and taxes to the federal government. Over and above this amount, the federal government has received \$55 million from the mortgage insurance fund. This amount was returned to the consolidated revenue fund in 1992. It is being applied to reduce the federal deficit.

We have a great country in Canada. We have our problems but we have solutions to the problems. When we work collaboratively on the solutions the country will do well. That is why we are the best in the world, between number one and number three. That is why we have good standards.

Notwithstanding that globally we have a lot of structural change, Canadians will come out better because we will apply the programs for which the government was elected. We have the talent to do it and we have the will to do it.

I am pleased to have the opportunity to speak in support of Bill C-108, an act to amend the National Housing Act. This is an administrative bill, the purpose of which is to increase the ceiling of the CMHC mortgage loan insurance from the current \$100 billion to \$150 billion.

My colleague also described for us the importance of the role of the CMHC's mortgage loan insurance, the importance that it played and continues to play in helping Canadians to have access to home ownership.

Home ownership is a cherished dream held by many Canadians and there are good reasons for it. Home equity is a major portion of wealth accumulated by households and has been a great source of retirement savings for Canadians. The concept of home speaks to one of our basic human needs. Home is a place where people feel secure. Owning a home gives people a stake in their community and a sense of belonging.

• (1235)

Home ownership is a concept that the people of Canada support. That is not likely to change at any time soon. It is therefore critical that CMHC is able to continue to provide mortgage loan insurance to Canadians today and in the future.

One of the most important aspects of CMHC mortgage loan insurance is the public policy mandate to provide equal access to mortgage financing at the lowest possible cost for all Canadians regardless of where they live in Canada. Equal access is achieved through cross-subsidization. Surpluses generated from lower risk businesses are used to fund shortfalls in higher risk businesses.

The public policy mandate of equal access distinguishes the CMHC in a major way from the private insurer. Without access

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to CMHC mortgage loan insurance Canadians in some parts of the country would have to come up with a conventional 25 per cent of the value of the house as a down payment. Needless to say, many Canadians would hardly ever be able to purchase a home if this were the case.

CMHC's mortgage insurance is therefore critical in helping Canadians to access home ownership. CMHC has long recognized that the housing financial needs of Canadians are diverse. The corporation's mortgage loan insurance has traditionally demonstrated the flexibility to respond to varying needs.

I refer to an example that has helped hundreds of Canadians realize the affordable home ownership dream. The manufactured housing or mobile home industry has contributed greatly to giving Canadians access to good quality, affordable housing. CMHC has been working in partnership with the manufactured housing industry for many years because of the importance of the housing sector in the economy of Canada as a whole.

Canada Mortgage and Housing Corporation introduced its chattel loan insurance program, known as CLIP, as a five-year experiment in 1988. The objectives of CLIP were twofold: first, to improve access to alternative forms of affordable housing without involving government expenditures and, second, to help place manufactured homes in a more competitive position with conventionally built homes.

CMHC completed an evaluation of CLIP last year which confirmed that the program is an important instrument in increasing access to good quality affordable housing without involving government expenditures. The evaluation also confirmed that CLIP has had a positive impact on the manufactured housing industry and mobile home park developments.

Following the results of the evaluation the minister responsible for CMHC was pleased to announce an expansion of the chattel loans insurance program. As a result it now includes new homes, resale homes and manufactured homes in Canada.

CLIP is an affordable alternative for many of the approximately 335,000 moderate income rental households that could not previously afford to purchase a mobile home. The CMHC and the manufactured housing industry have enjoyed a productive partnership for many years. They have been working together to help Canadians gain access to good quality, affordable housing and to enhance the viability of the industry. The enhancement of CLIP will lead to greater access to mobile homes as affordable options for many Canadians and will encourage growth in the housing industry.

CMHC and the mobile home industry have done their part. The consumers have shown they are interested in mobile homes as a housing option. Certainly there can be no doubt of the importance of NHA insurance in making the program possible.

This is only one example of how NHA mortgage insurance has met the specific need and why NHA mortgage insurance must be maintained as a public policy instrument capable of evolving to meet the future housing needs of Canadians.

With any eye on future needs CMHC is currently working to develop a variety of new housing finance instruments made possible by innovative uses of mortgage loan insurance. In developing new products CMHC is looking to challenge the creativity of the financial community to ensure that the largest possible number of borrowers can find a product in the marketplace to meet their precise needs. A variety of choices will encourage lenders to compete on a basis of service and product differentiation.

• (1240)

The financial environment in which CMHC's mortgage loan insurance business operates has undergone significant changes in recent years. The introduction of one-stop financial services, the increased use of technological systems to support businesses and operations, and the need to manage expenditures and facilitate better risk management are factors that have had an impact on the way in which CMHC runs its mortgage insurance operations.

CMHC has responded to a changing environment by continually reviewing its processes for delivering mortgage insurance and introducing improvements and efficiencies where needed. Ensuring that CMHC's mortgage loan insurance remains relevant and capable of responding to the changing housing and financial needs of Canadians adds a major focus to the activity of the corporation.

CMHC is now focusing on the introduction of new processing mechanisms which will utilize the capabilities or electronic communications between CMHC and its approved lender clients. The enhancements will allow the corporation to serve better the needs of the Canadian housing consumer.

Mortgage loan insurance has played a significant public policy role in the past. CMHC's stewardship will continue to evolve to meet the changing needs of Canadians and the financial community.

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I have one question for the hon. member in relation to the overall concept of CMHC.

My understanding is that it was felt necessary in the past that we had to develop this corporation to address the needs of Canadians who were incapable of meeting the 25 per cent, et cetera, to realize their own homes.

If we are to put another \$50 billion into it, it implies that more Canadians are in need of it. Since the economic situation in the first place did not allow them to buy their homes we created the

program and now we are expanding it. Would it not be better to put the \$50 million into the economy so the people can get work, meet the 25 per cent requirement and reduce CMHC instead of increasing it?

Mr. Jackson: Mr. Speaker, I thank the hon. member for her question. The corporation and the Government of Canada are responding to the housing need.

In the construction industry housing is a major motor of the Canadian economy. When the housing sector falters the whole system falters. Many people are looking for jobs right now. In my earlier dissertation I alluded to the fact that nobody in the private markets is not responding.

The initiative does not cost the government a cent. Using my old hat as mayor of Owen Sound, we have had private sector and CMHC interventions. The main role of CMHC is to make sure that handicapped people are looked after, that the heating requirements and other construction requirements are met before they are allowed insurance. There has to be a balance in the system. If the government intervenes too much it probably affects the private sector people. In the communities there is a groundswell to keep that from happening.

I assure the member there is a need for the initiative. Infusion in this category is probably better than putting it in other places because of the spinoff effects of building homes in communities. There will be a multiplier effect on the dollar and job creation. The activity it will create in the hardware store, the corner store and for construction workers, et cetera, will be enormous.

• (1245)

It is simply that there is a real need and it is a great thing to happen. As I have said before, health, work and housing are the three most important things for Canadians. This initiative helps those exactly.

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, I rise again to tell the Canadian audience that the speech made by the hon. member for North Vancouver was somewhat wrong. First, I wonder if he has read the bill and second, I do not know why he disagreed so strongly with the fact that this is a cost revenue neutral program.

As a matter of fact, the Government of Canada made money in 1994. The mortgage insurance fund gave \$55 million back to the treasury. It is beyond my wildest imagination why members of the Reform Party would so strongly object to this bill.

My colleague from Bruce—Grey made an eloquent speech. It was obvious that he had read and understood the thrust of the bill which says essentially that \$50 billion in liability will be added to the \$100 billion that the Government of Canada already has to provide those Canadians with low incomes the backing to be

able to own their own homes. This is extremely important because in many cases a 25 per cent requirement for a down payment is not there. They simply do not have the revenue. However, if they have 5 per cent or 10 per cent, the Government of Canada comes in and guarantees their loan with any bank in Canada.

I would like to ask my colleague from Bruce—Grey how important is this initiative for those Canadians who would not otherwise have the opportunity to buy their dream home?

Mr. Jackson: Mr. Speaker, the CMHC gives Canadians a choice of mortgage loan insurance. Without the CMHC Canadians would be served by a private sector monopoly. The risks with a monopoly are higher prices and fewer choices, making housing less affordable, particularly for first time home buyers.

Mr. George S. Rideout (Parliamentary Secretary to Minister of Natural Resources, Lib.): Mr. Speaker, it is a pleasure to rise and speak on Bill C-108, an act to amend the National Housing Act.

In 1987, CMHC introduced National Housing Act mortgage backed securities, a new way of attracting investors into the mortgage market and increasing the supply of funds available for home buyers. Since then the program has become a key part of the financial system in two respects: first, as an attractive real estate based investment offering very good yields and maximum safety; second, as a source of financing for the Canadian housing industry. The mortgages are all insured under the National Housing Act.

The fact that these blue chip securities are the only ones of their kind backed by the federal government makes them as solid as Canada Savings Bonds but with the added advantage of higher yields. Yields are greater because their liquidity is market based and their value fluctuates with market interest rates.

MBSs help to increase the amount of private capital available to finance the construction and purchase of homes and rental accommodation and encourages competition in the mortgage market. MBSs help to support the availability of lower mortgage interest rates by assisting smaller approved lenders to compete with the larger ones.

MBSs have also improved the security of tenure for Canadians through longer term mortgages. Before they were introduced, mortgage terms usually ranged from six months to three years and now consumers can benefit with terms of up to 25 years. Over \$25 billion worth of mortgage backed securities have been issued since the initiative began in 1987.

Turning to the bill itself, it is quite straightforward. It is intended to increase the maximum aggregate mortgage loan insurance from \$100 billion to \$150 billion. It sounds like a large sum of money, but at the same time we have heard members on this side of the House explain that this is really a profit making venture on the part of the government, which

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contributes to the reduction of the national debt and at the same time encourages housing construction.

• (1250)

Many really do not understand what we are talking about when we say mortgage insurance. Some people have the view that it is like life insurance and it is something that is put on a mortgage to insure someone's life. Most lending institutions will only lend up to 75 per cent of the value of a house or a property available for construction, so there is the leftover portion of roughly 25 per cent. That can only be accommodated in one of two ways, either the person who is building the home or buying the home comes up with that 25 per cent, or the financial institution receives a guarantee that it will be paid back that 25 per cent. That is where mortgage insurance comes in and that is why it is essential.

It is clear from everything I have read that if mortgage insurance was not available for that 25 per cent, housing construction would literally grind to a halt and we would see no activity at all.

I have gone through the joys of constructing a house of my own. I use the term joy very loosely. It is a challenge more than a joy. I contracted out the work myself, which means I used to be seven feet tall and had no grey hair, but after having being beat up by all of the contractors and chasing around, I realized exactly what goes into constructing a home.

What I was struck by in the process was the amount of employment created in the construction of just one home. People have no real appreciation of the facts because a lot of people have contractors build their homes and do not really see the full effect of what one house has in the construction industry.

I had five framers working on my house for six weeks. Those are the people who build the house and do all the rough construction. I had two plumbers working on my house for at least two weeks and three electricians working for another two to three weeks. Eight roofers put on the roof in two days, which I was very impressed with, but there were eight people scampering all over the roof. Four people put up the gyprock and another two put on the plaster. As well, there were painters and finish carpenters.

I was lucky to have fixed contracts so that I did not get beat up by the time that it took on this particular contract, or else I really would have been looking stupid, but fixed contracts are very important in these circumstances. What struck me was the sheer number of jobs created. That does not even account for the other people who were involved, the building supply people, the manufacturers of the pipes, the sinks, the toilets, the sewer pipes and those types of things, the cabinet makers, the people who do the hardwood floors and the carpets.

I am sure I have forgotten some of the people who were actually involved in the process. My wife is sitting at home telling me I have forgotten about this and I have forgotten about that because she did it all and that is why I do not know. She did most of the contracting rather than me.

The fact is that literally hundreds of jobs are created because one person chooses to build a house. If we can make that happen throughout the country, then we are really going to be creating a large amount of employment. It is clear that housing is a major contributor to the creation and the maintenance of employment. That is why mortgage insurance and CMHC have a very critical role to play.

In this major indication of commitment, the government is saying it wants to spur on the housing industry. For those on the opposite side that say it is crazy, that we should not do it, that we should let the marketplace do it on its own, I would like to read some of the stats that are put out by the housing industry.

In a press release in September of this year CMHC forecast housing starts of 112,500 for 1995, an astonishing 30,000 drop from the initial forecast of 141,000 starts at the beginning of the year and far below national housing requirements of 165,000 starts. While the news is a little better in 1996 with CMHC forecasting another 127,000 starts, the housing industry is at recession levels. Ways have to be found to encourage the housing industry because it creates the employment Canada needs.

• (1255)

The press release went on to state that lower interest rates are not the cure all for the current situation. Lower rates will not address the principal problem, the loss of confidence among many Canadians in their employment prospects.

That is why we have a double barrelled task here. First, to create that confidence, which is what the Liberal government is doing now by getting our financial house in order, while at the same time providing those mechanisms like mortgage insurance so that the housing industry can easily facilitate the increase in construction which is necessary. I want to emphasize that the key is confidence. We have to establish confidence. We have now turned the corner on the referendum. It is time to start talking about confidence, about creating employment and carrying this country into the 21st century.

New approaches and new directions for financing the housing industry have to be found. I know the industry has brought forward a number of imaginative approaches. It talked about RRSP loans for mortgages and all of those things. I found it interesting to look at some of the things that Central Mortgage and Housing is actually doing now. I thought I should read those into the record because they are important as we try to grapple with housing. If this country is going to succeed, one of the areas which will help cure crime problems, create jobs and, in

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effect, fuel a positive, caring society is through the provision of adequate and proper housing.

Here are some of the objectives of the National Housing Act and what CMHC supports. Through social housing, CMHC works with provincial, territorial and municipal housing agencies and with local non-profit organizations, co-operatives, urban native groups and First Nations, for those whose needs cannot be met by the private market. Assistance is provided to more than 661,000 social housing units.

CMHC's direct lending program enables CMHC to act as a break even lender to public and private, non-profit and co-operative projects that are subsidized by CMHC.

CMHC is helping the Canadian housing industry to promote the Canadian housing system abroad by helping to develop housing export strategies to assist the Canadian housing industry market Canadian housing technology, products and services in world markets.

CMHC's Canada Centre for Public-Private Partnerships in Housing facilitates housing partnership projects involving the production of affordable and accessible housing for low to moderate income households without ongoing federal subsidies.

CMHC continues to provide leadership in improving not only Canadian but international housing standards. Those are just a few of the things that are ongoing.

In conclusion, this bill will be pooh-poohed by the members opposite, some saying it is too little and some saying it is too much. Mortgage insurance has been one of those key catalysts to keeping the housing industry functioning and a positive contributor to the economy and to the creation of jobs. At the same time, as has been mentioned before, it makes a contribution to the reduction of our debt as CMHC returns a profit to the Government of Canada.

I am sure that members opposite will see their way clear to quickly support and pass this piece of legislation.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, I am really pleased to hear the hon. member's comments regarding this bill and the positive forces it will have on the economy of our country.

Only a few weeks ago I had the ambassador from Poland in my riding of Cumberland—Colchester, Nova Scotia. The purpose of his visit was to look at housing for Poland and eastern Europe. The interest is there because they know that Canada and particularly Atlantic Canada have numerous sawmills making new houses constructed of wood, high insulation products and meeting the R-2000 code for insulation standards.

• (1300)

When we had the G-7 conference in Halifax in June, we produced a G-7 model home. This was the interest the east European countries had in looking at Canada and the great potential in development. Could the hon. member elaborate a bit on the value of this construction, on the high prestige of construction of homes, on the value to the world structure, on the peace and economic development it will bring, as well as bringing jobs here at home and adding to that great potential of export for our country?

Mr. Rideout: Mr. Speaker, I thank the member for her question. It is an interesting one, because in a country the size of Canada, with a population of roughly 30 million, the key to a lot of our economic success is the role we are to play on the international market and what we will accomplish there.

What is very gratifying for me in my role as Parliamentary Secretary to the Minister of Natural Resources is dealing with companies that are actually building model homes or sending building materials into the international marketplace.

I recently had a meeting with a model home builder who is building homes for the Japanese market. A lot of people said that would not happen, that we could not crack that market. The manufacturer was telling me that he cannot supply the demand, that if he could generate more he would. The market is flooded with the types of housing that do not fit the strict criteria necessary in the Japanese market. Canadians have developed the techniques, the building standards, and those types of things that make it easier for us to introduce our products into the international marketplace.

I hear the Reform Party from time to time talk about doing away with the Department of Natural Resources, saying that the federal government has no role to play. As we set the standards so that we can meet the international criteria and the International Standards Association requirements, as we do the research and the development that is necessary and develop the new technologies that allow our industries to compete in the international marketplace, we are making that contribution to creating jobs in Canada. That is where the housing market has an integral role to play.

In my home province, Kent Homes, part of a larger company, is building model homes and is trying to sell those all around the world. Just as I described the number of people who were working on my house when I was building it, the same sorts of things are going on in the construction of model homes. These are job creators. They are a transfer of money, jobs, and growth to the international marketplace so that we can then reap the returns from those activities.

The Department of Natural Resources has an excellent role to play, CMHC has a role to play, and we at the federal government

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level have a very important role to play in creating employment through housing. This bill will make one small step for that approach.

The Acting Speaker (Mr. Kilger): In closing the intervention of the hon. parliamentary secretary, the word from Moncton from many subcontractors is they wish he had stayed in Ottawa and let Mrs. Rideout look after the contracting.

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs, Lib.): Mr. Speaker, a lot has been said about CMHC's involvement in providing insurance so that more people can afford homes. I would like to touch on the area of social housing and the way the National Housing Act and CMHC have helped in the social housing. I would like to use experiences in my riding.

Canadians of Lithuanian descent in my constituency saw the need for housing for seniors. In no way could these seniors afford individual homes, et cetera, so they built Vilnius Manor. How did they build it? They got a long term mortgage from CMHC at a very low percentage over a long period of time. Today these seniors are enjoying one of the most beautiful homes in Toronto, probably. In this home the seniors not only mix with Canadians of other heritages but they can also hear their own language. They can also see part of their own culture that they brought with them to Canada. It is a real success story, situated right on Bloor Street in Toronto.

• (1305)

An example of a similar project, again funded or assisted by CMHC, is Copernicus Lodge. A group of Polish descent built Copernicus Lodge as a home for seniors. It was filled up before it was even completed. In these models some people have to pay the full rent and others get a subsidized rent. Again, there is a women's auxiliary with this Copernicus Lodge who provide activities for the seniors. You will not see happier Canadian citizens than the ones living at Copernicus Lodge.

Another example in my constituency is Wawel Villa. Again thanks to CMHC funding a group of seniors can live in Wawel Villa just opposite High Park. They can walk through the park and enjoy life in their older years.

I had the experience also of helping Canadians of Latvian descent to build Kristus Darzs in the Woodbridge area. Again, this home would never have been built if it were not for the assistance of long term loans from CMHC.

I hope this program will never be cut. We have thousands of such homes across Canada providing comfortable living for those in these kinds of homes.

A problem is beginning to develop that I would like to share with the minister, the mover of this bill. As these people age in these homes they now need more intensive care. Many need ongoing nursing care. Many require chronic care assistance and

they do not want to move out. These homes were not built for these kinds of clients.

Do they move out? Where do they move to? Most of them want to stay. All the homes I have mentioned are looking. Copernicus Lodge has already built a second phase. They have floors that provide more intensive care for the people who need it. This is a problem that is facing our country. We build affordable homes for senior citizens as they get into their eighties and nineties. And I am so pleased that many are living into their eighties and nineties, and some are reaching a hundred and over. But they need special care.

Rather than move the people out, we have to provide in these homes more intensive assistance, which requires a different kind of personnel. It requires highly trained nurses, psychologists, social workers, and so on. Yet these are the areas where unfortunately the Conservative provincial government is cutting back. I do not know why the premier of Ontario wants to cut back on the backs of seniors. I believe we have to reduce our deficit. We have to run a much leaner government, but not a meaner government, such as the province of Ontario appears to be doing. This is an important issue, which will be facing the country even more intensively.

This brings me to the issue of jurisdictions. We have been talking over the last month about perhaps moving some of the powers the federal government has to provincial jurisdictions and co-operating with the provinces to decide who can deliver these programs the best.

• (1310)

We are talking about federal programs in housing. The province of Ontario also is involved in housing. If someone in the greater Toronto area wants a subsidized unit, they go to the metropolitan Toronto level. The city of Toronto has a program called City Homes to help people with affordable housing. There are four levels of government—federal, provincial, metro Toronto, and Toronto—all involved in housing.

If we want to keep the country together, these are the areas we must look at to see who can deliver the housing programs best, most efficiently. And let us talk with the other levels of government. If there is one level that can do it better, fine, it can take over a certain area. If the federal government can do it better, it would take over, with the caution that the federal government will still need a strong central government to maintain standards coast to coast to coast, be it in housing, day care or health care.

I wanted to put on the record the kind of assistance my constituency received thanks to the type of bill we are amending here today, the National Housing Act.

The House has heard the problems that are facing the Parkdale area of my riding, with prostitution, drug trade, high school dropouts, et cetera. We are trying to analyse why in one part of my riding there is such a heavy concentration of all these social problems yet in another part of the riding there are not the same

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problems. One thing, in my analysis, that contributed to this is the lack of home ownership in the troubled area. In that area only six per cent of the population own their homes.

Again, if all levels of government got together to make it possible for people to afford their own homes and build a family unit, we would reduce the numbers and the kinds of problems facing the Parkdale area. We are working on it, but we do need help from legislation such as we have here today.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, I appreciate the hon. member's comments about the value of housing to seniors. I am sure every member in the House can appreciate that in his or her own community.

So often we hear criticism about CMHC, about government involvement in mortgages. I would like to ask the hon. member why the government is involved or should be involved in the issuing of mortgages for housing here in Canada.

Mr. Flis: Mr. Speaker, wherever government involvement creates unfair competition, I feel government has no right to be there. However, the mortgage insurance that is provided with this legislation is fair and equal competition. It provides insurance for people who would normally not get it through private insurance companies. By providing this alternative, it keeps the rates down also. If we believe in the free market forces, which I do, it is good for consumers, because it does keep the rates down and it makes mortgage insurance available to those who otherwise would not get the insurance and consequently would not be able to purchase a home.

We made some amendments not long ago about allowing first time homebuyers to make a down payment of just 5 per cent. This was another good move to make home ownership more accessible and affordable to more Canadians. It is the same with the insurance.

• (1315)

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, it has been interesting to listen to the comments of my colleague and others who have spoken on the bill and to understand the intricacy of this legislation. It touches the aspect of social housing, to which my colleague has just referred. Previously we heard how it will impact the building trades and local economies across the country.

We also understand that this legislation will have an impact on our ability to trade in foreign markets. As the hon. Parliamentary Secretary to the Minister of Foreign Affairs knows, this is an important aspect of this legislation as well. Here we have a bill presented in the House of Commons that is prepared for the national good and yet we have the third party challenging it,

wanting this responsibility for housing to be devolved to the provincial level.

I would like to ask the parliamentary secretary if he can see any real value in that kind of solution, given the kinds of things that we are hearing and the facilitative role that this particular and single piece of legislation has for all Canadians in so many different ways.

Mr. Flis: Mr. Speaker, I thank the hon. member for her concerns and for raising these issues. She ran and I ran and I think most people in this House ran on one theme in our platform, which was prosperity and job creation.

The more homes made available to Canadians the more jobs are created. When you consider what is bought when someone purchases a home, people mention immediately fridges, stoves, et cetera, but those you need in an apartment when you do not buy a home. Think of all the other infrastructure, the landscaping, the garden, the paving of the driveway and how many jobs this creates.

I am glad we are having this debate because the member mentioned her experience with the Polish ambassador and his interest in our housing system. When I was taking *cour des français* in Saint-Jean, I met with a representative of a company from Quebec who wants to export 240 homes to Krakow, Poland. The technology is totally Canadian, totally Quebec. It would be shipped out to Poland all prefab and later put together.

Imagine the kind of job creation that project alone would have. However, the problem in Poland is that people cannot get mortgages to buy those homes. Poland is looking very closely at the legislation we are discussing today because through such a program the people in Krakow, Poland could buy those 240 homes.

If it is successful, we can repeat this model not only in Poland, but in Ukraine, in Russia, all over the world. This would be a niche for Canadian manufacturers of housing. This would be a niche for getting into the export field.

The Standing Committee on Foreign Affairs and International Trade is now looking at how we can help the SMEs, the small and medium sized companies, to get into the export market. We have such great entrepreneurs who are sharing their expertise with our foreign affairs committee. Again, I keep stressing jobs because if you increase exports by \$1 million, you have created about 35 new jobs. When you are exporting in the billions, imagine the kind of jobs that will create.

We have a beautiful country. We have a country like no other in the world. Let us stick together. Let us co-operate with every province and the nation. Let us co-operate with every province and the world. We have expertise such as I have mentioned here

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and we will keep our number one position. Not only that, but we will improve the lifestyle of people in other countries.

I thank the member for that question.

• (1320)

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): The question is on the amendment. Is it the pleasure of the House to adopt the amendment.

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the amendment will please say ye.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, a recorded division stands deferred until Monday, November 6, at the ordinary hour of daily adjournment.

Mr. Milliken: Mr. Speaker, I think you would find a disposition on the part of the House to call it 1.30 p.m.

The Acting Speaker (Mr. Kilger): Shall I call it 1.30 p.m.?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): It being 1.30 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]

CRIMINAL CODE

Mr. Myron Thompson (Wild Rose, Ref.) moved that Bill C-343, an act to amend the Criminal Code (arrest without warrant), be read the second time and referred to a committee.

He said: Mr. Speaker, Bill C-343 which I am happy to address today is not a lengthy bill. I do not believe it will require a lot of debate. I would like to read the actual amendment:

Subsection 495(1) of the Criminal Code is amended by adding the following immediately after paragraph (c):

(d) a person who has committed the offence described in subsection 740(1) or who on reasonable grounds, the peace officer believes has committed or is about to commit the offence.

The purpose of this bill is to give the police or a peace officer the power to arrest without a warrant a person who is in breach of a probation order binding the person.

This is not an idea that was dreamed up out of the blue. It came to me from talking with a number of police officers during many of the ride-alongs I had with various police units throughout the country including Calgary and particularly Toronto. The officers had mentioned to me on a number of occasions that if they had the power and authority to arrest individuals who were in breach of a probation order, it would be a good preventive measure to stop a lot of crimes.

Let me give a couple of examples. When I was riding in a Toronto police car a couple of officers identified a young offender who walked by on the street at two o'clock in the morning. They named him and said he was a young offender who was on probation for dealing drugs. He was not even supposed to be on the streets past six o'clock in the evening.

I asked what they would be able to do. They said that they would take the name and report to the probation unit that this individual was in breach of probation. However, they had no authority to do anything. A young fellow who had been convicted of drug dealing being out at two o'clock in the morning probably meant that something was not right. It is the belief of those officers, and they have a number of cases they can name, that had they had the authority and the ability to take the person into custody for breach of probation that the crime, which was committed later in the evening by the individual, would have been prevented.

• (1325)

Another example. An individual, because of an alcohol problem, was on probation for either a domestic dispute or for committing crimes while under the influence. Whether there has been a court order or this individual is under probation, the individual is not allowed to enter a bar or a drinking establishment. This is part of the probation order. Police have told me that a number of times they see such individuals breaking their probation orders by either being seen consuming alcohol or going into places where they were directed not to go.

All the police can do is report to a probation officer which may take as much as one or two weeks because of the lack of manpower. Had they been able to just arrest the individual on breach of probation, summary conviction, that it would have prevented problems later in the evening.

A number of other times in one particular area there had been young offenders arrested on 52 counts of break and enter. These are young offenders who are required to attend school, are required to be at home by six o'clock in the evening and are required to do a number of different things. They were obviously in breach of probation on a number of occasions by being out very late at night. There were 52 charges of break and enter but only one conviction. They were found guilty on all charges. There was the one conviction but they were not incarcerated. They were put on probation and were expected to follow the rules.

More break and enters followed because these individuals were out late, clumped together and kept stealing. The police said: "If only we had the authority and the power we could have prevented some of these problems". They do not even have to arrest and lock them up. The fact that they would have the authority to stop them and ask them what they are doing breaking their probation orders, maybe giving them an opportunity to get the heck out of there and go home, would help. However they need the authority to do it.

This small little bill is just one measure that would help a great deal in the prevention of crime throughout the country. It is something the police have asked for. It is something that I have agreed to submit on their behalf. It was awhile before my name was drawn. I was lucky enough to get it drawn so I am putting this forward.

In the near future I will also be putting forward legislation that would give police the authority to arrest people who are in violation of parole and statutory release. Whenever there are conditions to a release somebody should have the authority to do something when they are in obvious breach of those conditions.

I do not believe any member in the House can say for a moment that it would not be a good idea to stop crime before it happens. There is no doubt in the minds of all the enforcement officers I have talked to that if they had the authority, which they do not have now, if they had the ability, which they do not have, they would be more than pleased to do these things because they feel that would be a major part of their job. Let us face it. Enforcement of the law is a major part of their job, but so is prevention. If those in the enforcement agencies can prevent it from happening, they do so.

That is why they stop drunk people from getting behind the wheel of a car and driving off. They do not wait until a drunk person drives off, they prevent it by trying to stop that person from getting behind the wheel.

This is a perfect example of something this House should do by adopting this kind of measure. I do not have much more to say on it. It is a common sense measure and does not encroach on anyone's rights or privileges. We always seem to be worried

about the charter and the interference we may run into on a charter challenge.

The supreme court judges surely would get the message from legislators that this kind of legislation is serving a purpose. This purpose appears in the red book. It is in the Reform Party policies. It is in the Bloc policies. One of the policies of every party in this House is to make Canada a safer and better place in which to live. This kind of legislation would do that.

I encourage support from everyone in the House to put into the hands of the police departments throughout the country the power and the ability to do this. They do not have it now. I repeat, they cannot do it now. Let us make it possible for them to do so. Let us take the burden off the understaffed and undermanned probation departments. They are running at an unbelievable pace trying to keep up with all the difficulties they now have.

It is a way of accomplishing what we all said we would do in our policies. It is a small way, but a good place to start. I suggest that we adopt this bill immediately.

The Acting Speaker (Mr. Kilger): I see the member for New Westminster—Burnaby rising. It is not for me to manage the operation of the House but in private members' hour the mover of the motion has 20 minutes and the other speakers have 10. I do not believe the member for Wild Rose gave any indication as to whether he might be splitting his time. He did use only 10 of his 20 minutes. Perhaps the member for Wild Rose could help the Chair.

Mr. Thompson: Mr. Speaker, I did not make any arrangements to split my time. It does not take 20 minutes to talk on this topic. I am willing to share my time with either one of my colleagues, with agreement.

The Acting Speaker (Mr. Kilger): Upon that clarification, certainly if another member of the hon. member's party wishes to split that time, there is 10 minutes remaining. I will recognize the member for New Westminster—Burnaby.

Mr. Thompson: Mr. Speaker, after further consultation with my colleagues, let us go in the rotation order.

The Acting Speaker (Mr. Kilger): As you wish.

Mr. Ian Murray (Lanark—Carleton, Lib.): Mr. Speaker, I am pleased to speak on Bill C-343. Let me begin by acknowledging what I understand to be the objectives of the member in putting this bill forward.

The objective is to make it easier for a peace officer to arrest someone who is breaking the terms of a probation order. The target group for this measure is anyone who is under a probation order. Such an order could include many types of conditions, for example, that the probationer refrain from alcohol, stay within the jurisdiction, avoid use of firearms, or attend counselling.

We may be talking about family situations where someone is convicted of an offence and is ordered to keep away from other

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family members. It might be a situation where an offender is ordered to keep away from public parks or school yards.

Failure to comply with a probation order is an offence under the Criminal Code. I suggest that this is good criminal justice policy. Under the current provisions, an offender's probation can be revoked because of a serious breach of a probation condition. He can be arrested and charged for the distinct offence of breaching a condition.

• (1335)

Let us examine some situations and where it leaves a police officer who encounters someone who appears to be breaching one of the conditions of his probation. The police officer's authority is defined in section 495 of the Criminal Code which authorizes the peace officer to arrest without warrant a person found in the course of committing a summary conviction offence.

Say for example the peace officer finds someone loitering around a public park where children are playing. If the peace officer is suspicious of the person he sees loitering at the park, he can investigate in the usual way. If he finds that the person is bound by a probation order which forbids the person going near public parks, he may actually be in a position to arrest him on the spot. Just being present in the park may constitute an active criminal offence.

At the moment, breach of probation is a summary conviction offence and the peace officer's authority to arrest without warrant is limited. To arrest without a warrant the peace officer currently must satisfy the conditions set out in section 495 of the Criminal Code which states that a peace officer shall not arrest a person without a warrant where on reasonable grounds the public interest may be satisfied without so arresting the person at the time.

In making this judgment the peace officer must have regard to all the circumstances, including the need to establish the identity of the person to secure or preserve evidence concerning the offence, or to prevent a continuation or repetition of that offence or another offence. In effect the peace officer has some discretion to arrest on the spot but he must exercise that discretion according to several criteria laid out in the Criminal Code.

Bill C-343 would make the policeman's job easier by freeing him from having to satisfy these conditions. If breach of a probation order were an indictable offence, fewer conditions would need to be satisfied. In that case the police officer could arrest the person if he believed on reasonable grounds that the person had committed the offence or was about to commit it.

This is precisely what Bill C-41 does. Bill C-41 deals with Criminal Code amendments to improve and modernize our system of sentencing. It makes failure to comply with a probation order under section 740 a hybrid offence, that is, one that can be proceeded with by way of indictment or by summary

conviction procedure. Hybrid offences are considered the same as indictable offences for purposes of arrest without warrant.

The bottom line is that the police officer will now have the flexibility the member for Wild Rose would like. The police officer can arrest without warrant where he believes the person has breached or is about to breach a condition of his probation and not just during the course of the offence.

Bill C-41 received royal assent on July 13, 1995 but is not yet in force. Therefore the first part of Bill C-343 will be unnecessary as soon as Bill C-41 comes into force.

I would also like to bring to the attention of this House another relevant modification included in Bill C-41. It is a modification to section 740 that may make it easier for the police officer to do his job. Section 740 refers to someone who "wilfully" refuses to comply with a probation order. Bill C-41 changes the wording to "without reasonable excuse". This may make it easier for a police officer to legitimately challenge a person, in the situation I have described, to provide a reasonable excuse for being in the park or near the school yard in apparent violation of the probation order.

Bill C-343 would give more freedom to arrest than Bill C-41 would give. Bill C-343 would create an exception to the general rule for this offence of failure to comply with a probation order. The arresting officer would not have to bother considering the overall circumstances, or whether it was necessary to take the person into custody in order to establish his identity for example.

It is evident there is a preference in our criminal law for using appearance notices or summons as opposed to arresting persons on the spot. Taking someone into custody without warrant should only be done where it is necessary. Alternatively the peace officer is expected to seek a warrant or issue the appearance notice.

Why should we make the breach of a probation order an offence different from most other offences in the Criminal Code? Why should the peace officer not be bound to respect the safeguards placed into the code to guarantee basic rights and liberties?

It is unacceptable to exempt this particular offence from the rules governing arrest powers for other criminal offences. I am not sure whether an argument could not be made that such an exemption is arbitrary or otherwise excessive and therefore contrary to the charter of rights and freedoms. The real issue here is controlling the risk to the community or to particular individuals presented in various situations.

• (1340)

Probationers are subject to the active supervision of probation services and this supervision provides an additional measure of control. Probation officers are experienced in judging when a breach of probation order is merely a technical violation or

something more serious that deserves revocation of the probation or an arrest and separate charges under section 740 of the Criminal Code.

Police and probation officers work together to monitor these conditions. I believe peace officers have what they need to handle almost every situation. If a suspect is actually committing the offence of breach of probation, they have authority to arrest that person without a mandate. Similarly, they have that authority when they believe the suspect has committed the offence or is about to commit an indictable offence. Alternatively, they may choose to issue an appearance notice or even seek a warrant.

They are not overly restricted in their ability to arrest someone who is hanging around a park or drinking alcohol or attempting to approach the residence of a former spouse without a reasonable excuse. If they believe a loiterer is about to repeat that offence or commit another one, they can exercise their good judgment and arrest that person.

I do not believe the criminal law modifications proposed in Bill C-343 are necessary.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, I have just a few extemporaneous, spur of the moment observations to make.

Perhaps I can provide some perspective on the bill, seeing that my previous profession was that of probation officer and I was in a situation where administratively I dealt with the relationship with the 24-hour contact agency, which is the police, and saw the behaviour of probationers. Often on a Friday or Saturday night things were happening in the community, but the probation officer generally worked in an office in a day situation.

Certainly the well meaning intention of this private member's bill comes from legitimate police concern. It also can be seen that it comes from public concern. I am adding that it also comes from criminal justice probation officer concern.

The bill gives some reasonable discretion for giving additional tools to the police. That is not to say, as the member for Lanark—Carleton would say, that this is unjustifiable in the panoply of what is available to police officers. However, we must look at what are the administrative instructions to police specifically concerning their justice time and the allocation of dollars. They are under administrative control to be very careful not to arrest on a summary conviction unless they are absolutely pushed over the limit and it can be justified.

The operational difference between what happens on the street and the permutations that may be technically possible under the Criminal Code are quite different.

I am saying that the bill is going in the right direction because it conforms to the principle of minimal intervention and intrusion to achieve a public good. Rather than trying to change the

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offence from summary to an indictable offence, it looks at a specific exception to the law, which is a minimal change. It is the minimum possible to achieve the objective. It provides an exception to the summary procedure in a special case where the police officer decides for the general social good that it needs to be done. Currently, because of administrative procedures those are simply avoided and discounted by saying we really cannot intervene. Why should we do this?

The administration of justice has been brought into disrepute by the current operation in the streets. Probation orders are often seen to be not worth the paper they were written on. Orders are given and they must be obeyed. They will be obeyed increasingly if there are regular consequences that flow. We are talking about general deterrence and the community reputation that develops around the operation of these court orders, especially conditions of probation such as not to enter premises where alcohol is sold or not to be out after a certain hour, not to frequent a particular bus exchange where it seems that criminals have a tendency to meet, geographic prohibitions or prohibitions to stay at least one block away from a girlfriend's residence because of a history of assault or threats. The community expectation is that these orders will be obeyed and can reasonably be administered without unnecessary administrative barriers. We see in the newspaper that the offender received a sentence and was placed on certain conditions, and the public can feel good about it. However, when we investigate it, we find the administration of the order actually breaks down.

• (1345)

The probation order must have some real meaning. The public delegates to the authority and then has an expectation that the order will be administered properly. The orderly operation and administration of court orders are very important. I think the public reputation is that court orders are not that well administered.

We have to overcome the community notion that the order is not worth the paper it is written on. There are administrative barriers that could be put aside by this measure. The bill is minor in size but I am saying it is very meaningful in its practical form.

The member for Lanark—Carleton outlined in some technical sense how this bill went beyond the current bill before Parliament. I am recommending it is an additional permutation that would be very helpful for the administration of criminal justice in the community.

Mr. Jack Ramsay (Crowfoot, Ref.): Mr. Speaker, I will take a few minutes to express some of my feelings and concerns about the area addressed by the bill.

For what purpose do courts issue prohibition orders? They feel under the circumstances it is the adequate action that should be taken to protect society. Probation is a comforting term, an order of probation. It is not unlike mandatory supervision term we hear.

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Is it comforting that someone will be released before his or her time on mandatory supervision? The state is to conduct supervision over the person to ensure the safety of the public. We have seen how absolutely useless that type of condition is in protecting the Melanie Carpenters and the Sylvain Leducs from the kind of action the court has surmised will never take place.

I support the bill. If the court issues a probation what is it asking? It is asking the accused person to obey certain requirements: to stay away from bars, perhaps to stay away from the classroom or perhaps to stay away from a spouse who has been subjected to abuse, physical or otherwise. Does the court expect the person will simply obey those orders? What happens if he or she fails to obey? Probation officers do not have the manpower to deal with circumstances late at night. We also know police officers are usually there. At least they are on duty 24 hours a day. The public has access to them in case a probation order is violated.

If a wife realizes her husband is to stay away from liquor under probation and he is at a bar at two o'clock in the morning and she is sitting at home in fear of his attendance, what protection does she have? Should she phone the probation officer? Nonsense. That is impossible. She could phone the police under the circumstances. The police do not have any authority whatsoever to intervene to protect her from her husband even though he is in violation of a probation order set as a result of his violation of her.

I listened to the hon. member across the way speak about the laws being in place now to prevent that. If that were the case we would not be receiving feedback from police officers about the violations of individuals they have brought before the courts and the courts have placed on probation. They have seen the violation of those probation orders and can do nothing about it except to report the situation to the probation officer on Monday morning and if the probation officer has time he will follow it up perhaps two or three weeks later.

This is a common sense response to the cries of the police to give them reasonable tools to prevent crime and criminal acts

from occurring. I suggest violation of probation is a criminal act. I do not think anyone will deny that. Why not place within the hands of our peace officers the power to do something about it? Therefore I support the bill.

Mr. Thompson: Mr. Speaker, I rise on a point of order. At the time of preparation of the bill I discussed it with a number of people, particularly those of legal mind, who felt it was an important bill to pursue. They also felt that it completely qualified under the 12 or 15 points that clarify whether a piece of legislation is votable or non-votable. It certainly met the criteria in all their eyes. I have also talked to a number of police authorities about it and they said it was the kind of thing they could use to help prevent crime.

I do not believe it is in contradiction to or identical to Bill C-41. I have been advised that is not necessarily the case. Therefore, with the idea that all of us are here to do whatever we can to prevent crime, it would be a small step in the right direction if we all supported it as a votable item. If there is unanimous consent I would move that Bill C-343, for the sake of the safety of Canadians, become a votable item.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the motion by the hon. member for Wild Rose. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): There being no unanimous consent, there being no further members rising for debate and the motion not being designated a votable item, the time provided for the consideration of Private Members' Business has now expired and the order is dropped from the Order Paper pursuant to Standing Order 96.

It being 1.52 p.m., the House stands adjourned until Monday next at 11 a.m. pursuant to Standing Order 24.

(The House adjourned at 1.52 p.m.)

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