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(HANSARD)

Thursday, December 5, 1996

Speaker: The Honourable Gilbert Parent

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HOUSE OF COMMONS

Thursday, December 5, 1996

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to three petitions.

* * *

COMMITTEES OF THE HOUSE

FINANCE

Mr. Jim Peterson (Willowdale, Lib.): Madam Speaker, I have the honour to present, in both official languages, the fifth report of the Standing Committee on Finance.

[*English*]

The report is entitled "The 1997 Budget and Beyond: Finish the Job". I would very much like to thank members from all parties who worked so diligently and with such—

[*Translation*]

All members showed great co-operation in producing this report.

[*English*]

I would also like to thank out staff from the House of Commons and all others who worked with us in such a professional and diligent way.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Madam Speaker, I wish to point out to you that there is a dissenting report by the Bloc Québécois appended to the Liberal majority report. The main points in this dissenting report are a recommendation to the Minister of Finance to stop dipping into the unemployment insur-

ance fund surplus to reduce his deficit, to rebalance the monetary policy to ensure that job creation is made a number one priority, and to immediately reform the corporate taxation system, which, in the opinion of the Bloc Québécois, could make \$3 billion available annually for job creation.

JUSTICE AND LEGAL AFFAIRS

Ms. Paddy Torsney (Burlington, Lib.): Madam Speaker, I have the honour to present, in both official languages, the seventh report of the Standing Committee on Justice and Legal Affairs.

[*English*]

Pursuant to the order of reference of Monday, June 10, 1996, your committee has considered Bill C-27, an act to amend the Criminal Code, child prostitution, child sex tourism, criminal harassment and female genital mutilation, and your committee has agreed to report it with amendments.

I would like to thank our researchers for their diligent work and the many witnesses who appeared before us. Their testimony is reflected in the amendments our committee has made. Congratulations to members on all sides of the House for their efforts in this very important issue to women across the country.

* * *

PETITIONS

JUSTICE

Mrs. Jan Brown (Calgary Southeast, Ind.): Madam Speaker, I rise to present yet another petition from constituents in Calgary regarding parents who are concerned for the safety of our children. The petitioners I represent are concerned about making our streets safer for their children. They are opposed to the current status quo in the screening of pedophiles within the community. The petitioners pray that a federally implemented pedophile registry be established in order to better protect our children.

TAXATION

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Madam Speaker, I am pleased to present a petition today signed by 200 residents from British Columbia, Alberta and Saskatchewan. The petitioners feel that the GST on reading material is unfair and wrong. Education and literacy are crucial to the development of our country.

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The petitioners call on Parliament to zero rate books, magazines and newspapers and ask Parliament and provincial governments to zero rate reading materials under the proposed harmonized sales tax.

[Translation]

ABOLITION OF SENATE

Mr. Benoît Sauvageau (Terrebonne, BQ): Madam Speaker, I am pleased this morning to add to the 30,000 signatures already tabled in favour of abolishing the Senate in conjunction with the motion of my friend and colleague from Kamouraska—Rivière-du-Loup, the names of 1,100 petitioners from the riding of Terrebonne, who also wish to see this unelected chamber abolished.

I am therefore pleased to table in the House this morning a petition signed by 1,100 of my constituents.

[English]

EMERGENCY PERSONNEL

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, I have two petitions today. The first comes from Garibaldi Highlands, B.C. The petitioners draw to the attention of the House that our police and fire fighters place their lives at risk on a daily basis as they serve the emergency needs of all Canadians. They also state that in many cases the families of officers who lost their lives in the line of duty are left without sufficient financial means to meet their obligations.

• (1010)

The petitioners therefore pray and call on Parliament to establish a public safety officers compensation fund to receive gifts and bequests for the benefit of families of police officers and firefighters who are killed in the line of duty.

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Madam Speaker, the second petition comes from Calgary, Alberta. The petitioners draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession which has not been recognized for its value to our society.

The petitioners therefore pray and call on Parliament to pursue initiatives to assist families that choose to provide care in the home for preschool children, the chronically ill, the aged or the disabled.

[Translation]

ABOLITION OF SENATE

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, I table a petition signed by 1,520 people, in addition to those signed by 12,000 people that I have already tabled on behalf of my constituents. Altogether, 30,000 signatures were collected.

As an editorialist at *La Presse* wrote yesterday, Senate obstruction, particularly on issues like the constitutional amendment regarding Newfoundland, do bring grist to the mill of those who want to see the Senate abolished.

SMOKING

Mr. Joseph Volpe (Eglinton—Lawrence, Lib.): Madam Speaker, pursuant to Standing Order 36, this petition has been certified correct as to form and content.

[English]

The petition is signed by thousands of Canadians.

Delegates attending the 1996 general council meeting of the Canadian Medical Association draw to the attention of the House a series of factors related to tobacco and tobacco related illnesses which kill over 40,000 Canadians every year and that cost Canada something in the order of \$15 billion a year.

The petitioners implore Parliament to enact new tobacco control legislation based on the elements outlined in the government document "Tobacco Control: A Blueprint to Protect the Health of Canadians".

SYNTHETIC MILK HORMONE

Mr. Joseph Volpe (Eglinton—Lawrence, Lib.): Madam Speaker, I have two other petitions from Canadians from across the country. One relates to the synthetic milk hormone.

The petitioners ask the government to introduce legislation and regulations to ensure that this product is not employed in Canada.

NATIONAL UNITY

Mr. Joseph Volpe (Eglinton—Lawrence, Lib.): Madam Speaker, the third petition is signed by several hundred Canadians from various parts of the country.

The petitioners call on Parliament, the Prime Minister and the government to declare Canada indivisible and that the boundaries of Canada's provinces, territories and territorial waters be modified only by a free vote of all Canadian citizens, as guaranteed by the Canadian Charter of Rights and Freedoms, or by the amending formula as stipulated in the Canadian Constitution.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Mr. Paul Zed (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, Question No. 61 will be answered today.

[Text]

Question No. 61—**Mr. Simmons:**

With respect to the management of hazardous wastes, what action has the government taken in response to the following findings of the auditor general in his May 1995 report: (a) there is "no national plan or federal fund—for cleaning up—

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contaminated sites that pose risks to human health and the environment”, (b) “the department has not proposed amendments to the Canadian Environmental Protection Act (1988) or developed regulations under the act that could help ensure adequate control of environmental risks associated with federal facilities and lands, including the clean-up of federal contaminated sites”, (c) “comprehensive and consistent information on the number and characteristics of contaminated sites in Canada is not available”, (d) “the department has not provided Parliament with adequate information—”, and (e) “the government’s ability to ensure safe and cost-effective storage and timely destruction of federal PCB wastes—could (be) seriously impede(d)”, given that the “federal PCB destruction program—ended on 31 March 1995”?

Hon. Sergio Marchi (Minister of the Environment, Lib.): (a) The national contaminated sites remediation program (NCSRP) was a mandated program and, as such, ended as scheduled on March 31, 1995. Subsequent to its termination, Environment Canada reallocated \$7.8M from its 1995/96 A-Base to assist the provinces in remediating selected outstanding high priority orphan sites.

Significant progress was made in regard to one of the primary purposes of the program putting the necessary infrastructure, scientific tool and institutional frameworks in place. The federal government provided a strong catalytic role recognizing the program was not designed to continue forever.

The infrastructure which was developed provides provinces with the required scientific tools to address their sites, as well as the recommended principles for implementing “polluter pays” legislation. Through the NCSRP, provinces have put, or are putting, in place new legislation with the authority to enforce clean-up or to recover costs.

The government will continue to get its house in order. Federal departments are responsible for their sites and will continue to clean up their sites as per the code of environmental stewardship, greening of government policies and Treasury Board guidelines.

Furthermore, as part of recent amendments to the Auditor General’s Act, departments will be required to table their sustainable development strategies to Parliament by 1997. These strategies will outline each department’s goals and action plans for integrating sustainable development into its operations. It is expected that the (new) Commissioner on the Environment will hold other government departments (OGDs) accountable for their actions with respect to further assessment and clean up.

Until the end of FY 1996/97, Environment Canada will assist OGDs with contaminated sites through the contaminated sites management working group (CSMWG). This interdepartmental committee is chaired by EC and the Department of National Defence (DND) and is working toward ensuring a consistent approach to the clean up of federal contaminated sites. The CSMWG is planning workshops (to be prepared by EC) which will inform custodial managers about the tools developed under the NCSRP, as well as focus on risk assessment, risk management and available technologies. The CSMWG also plans to explore legal liability issues and prepare a best practices and pollution prevention manual.

Environment Canada will continue to provide technical assistance to federal departments, resources permitting.

(b) No direct amendments to the Canadian Environmental Protection Act (CEPA) are currently being proposed in this area although guidelines on the management of federal underground and aboveground fuel storage tanks, a common source of contamination, will be issued shortly.

Progress on federal contaminated sites will continue to be ensured through existing government policies (code of environmental stewardship, greening of government, Treasury Board secretariat increased ministerial authority and accountability policy (1986), federal government guidelines (EC, TBS)) and through interdepartmental committees such as the contaminated sites management working group.

(c) Although the department supported the development of an inventory in 1990, the Canadian Council of Ministers of the Environment (CCME) members were unable to reach an agreement and it was decided that individual members would be responsible for reporting on the number of sites within their jurisdiction.

As per the intent of the code of environmental stewardship and under greening of government initiatives, federal departments have a responsibility to properly manage land under their custody. It is the responsibility of individual custodial departments to ensure that accurate inventory information is recorded and maintained.

Through the interdepartmental committee on contaminated sites, Environment Canada, in conjunction with other federal departments, is currently scoping the size and nature of the federal problem. Furthermore, to ensure consistency in reporting the CSMWG is currently developing a template for reporting information on contaminated sites.

(d) It is important to understand that the NCSRP is a joint federal-provincial program. Progress has been reflected in both the main estimates and annual reports to CCME.

Although the program did lapse funding in the initial years, this is a reflection of the time required by some provinces to gear up to full capacity and in terms of finding matching funding.

Cabinet and the Treasury Board Secretariat were aware of reallocation of funds from the NCSRP to other high priority initiatives (such as the Great Lakes action plan and the North American waterfowl management plan).

(e) Recognizing that funding for the federal PCB destruction program was to end on March 31, 1995, the interdepartmental committee on federal PCB destruction, under the leadership of Environment Canada, devised an alternate plan for the destruction of federal PCB wastes.

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Public Works and Government Services Canada (PWGSC) agreed to act as service agent for federal departments and agencies, and contracted nationally with the Alberta Special Waste Treatment Centre for the destruction of federal PCB wastes.

More than 1,100 tonnes of federal PCB wastes have been destroyed to date, and negotiations continue between PWGSC and its federal clients to dispose of the remaining PCB wastes.

[Translation]

Mr. Zed: I suggest that all remaining questions be allowed to stand.

The Acting Speaker (Mrs. Ringuette-Maltais): Is it agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

TOBACCO ACT

Hon. David Dingwall (Minister of Health, Lib.) moved that Bill C-71, an act to regulate the manufacture, sale, labelling and promotion of tobacco products, to make consequential amendments to another act and to repeal certain acts, be read the second time and referred to a committee.

He said: Madam Speaker, I am pleased today to begin the second reading debate of Bill C-71, what is known as the tobacco act.

This bill is a central element in our government's comprehensive tobacco control strategy. It complements the tobacco tax increase and the anti-smuggling initiatives announced last week, as well as the education programs designed to make Canadians more aware of the health consequences of tobacco use.

The focus of the bill is simple: health. Let there be no doubt on this particular point. While there are many interests involved in this debate, health, especially the health of young Canadians, is of paramount concern.

• (1015)

The government recognizes the complex and pervasive nature of tobacco use in our society. It designed a balanced and an integrated

strategy that takes into account the various factors that influence the smoking decision process, particularly how these factors affect young Canadians.

This bill addresses the environment, messages and opportunities that affect attitudes, beliefs and behaviours about tobacco use. It does so by restricting the access young people have to tobacco products. It places reasonable limits on the marketing and promotion of these products. It increases health information on tobacco packaging and it establishes powers needed to regulate tobacco products.

Canadians want us to take these steps. They expect us as parliamentarians, regardless of our political ideologies, to do our job.

According to a recent Angus Reid poll, 91 per cent of Canadians support efforts by governments to discourage young people from becoming addicted to tobacco. Seventy-three per cent of Canadians support efforts to discourage smoking among people who smoke already. In short, Canadians want us to do the right thing.

This debate is about people and about the impact tobacco has on their lives. There are seven million smokers in Canada. Far too many of them and their families must deal with the tragic health consequences of tobacco use.

Each and every day in this country more than 100 people die of tobacco related causes. How many of us have lost loved ones to heart disease brought on by years of tobacco use? How many of us have watched friends die of cancer that could have been prevented? Those deaths stand in stark contrast to the glamorous, exciting and often healthy images that tobacco promotions invariably portray. Yet those are the true faces of tobacco use.

The human toll of tobacco use is immense, not only in Canada but throughout the world. In 1991 the most recent year for which we have had full data on tobacco related mortality, 41,408 Canadians died of diseases attributed to smoking, one of every five deaths that year. That is more than three times the number of deaths caused by murder, automobile accidents, AIDS, suicides, and drug abuse combined. Those are startling figures.

In one year tobacco use killed more than 14,000 people in Ontario, almost 12,000 people in the province of Quebec, some 6,000 people in Alberta, Saskatchewan and Manitoba, and more than 5,000 people in British Columbia and close to 4,000 people in Atlantic Canada. This is a human toll that cannot be ignored and stands alone as the primary reason why we as parliamentarians must take action on tobacco.

Tobacco use also generates a significant financial burden on the economy. To begin with, it is a drain on medicare. In 1991, smoking cost our health care system about \$3.5 billion. I invite

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hon. members to think of the health priorities in their communities which could have been addressed with that money.

But where did the money go? It paid for 3.1 million extra visits to doctors and the four million days that people were in hospitals for smoking related reasons. It also covered the cost of the 1.4 million drug prescriptions that were required to treat smoking related illnesses.

Smoking costs the economy in other ways as well. Canadian smokers are absent from work for 28 million days a year because of tobacco related causes. Lost productivity arising from smoking related deaths amount to \$10.6 billion in 1991.

The simple reality is that the harmful effects of tobacco use are not restricted to smokers alone, despite the rhetoric that we might hear about smoking being a matter of individual choice. Smoking costs Canadians approximately \$15 billion a year, a staggering figure.

• (1020)

As alarming as those numbers are, the data suggests that matters will probably get worse before they get better. Tobacco takes years to exact its toll. We are now only seeing the results of the smoking surge among women during the 1960s and the 1970s. Lung cancer has overtaken breast cancer as the leading cause of cancer deaths among women. Researchers predict that deaths due to smoking among Canadian women may equal or even exceed the level among men by the year 2005.

Of particular concern is the pattern of youth smoking. Approximately 250,000 Canadians each year take up smoking. Eighty-five per cent of these new smokers are under the age of 16. Right now—

Some hon. members: Oh, oh.

The Acting Speaker (Mrs. Ringuette-Maltais): Could we have some order so that the minister could complete his debate?

Mr. Dingwall: Madam Speaker, 29 per cent of young people between the ages of 15 and 19 smoke. Fourteen per cent of kids between the ages of 10 and 14 smoke. Half of these smokers will die prematurely of tobacco related illness. The need for action is clear.

Over the last 25 years governments, committees and individual members in the House have proposed and acted on measures to reduce tobacco use. Through it all the focus has consistently been on protecting the health of Canadians and young people in particular.

In 1971 the federal government introduced a bill to restrict tobacco advertising. That legislation was still on the Order Paper when the House prorogued. In 1986 the House debated a private

member's bill sponsored by a new Democratic member, Ms. McDonald. Her bill, the Non-Smokers' Health Act, mandated smoke free workplaces in areas under federal jurisdiction and banned smoking in common areas under federal jurisdiction.

Let me quote from *Hansard* dated November 20, 1986, page 1382.

Society has a stake in the health of its citizens. When a person is ill, absent from work or dies leaving young dependents, society must pay. Society pays for medicare, society pays for dependents, and society pays for pensions".

In 1989 the government of the day brought in the Tobacco Products Control Act. This act banned the advertising and restricted the promotion of tobacco products. It required by law health messages and information on toxic constituents to be displayed on tobacco product packaging.

The health minister who was responsible for that bill, the Hon. Jake Epp, said:

This is not a moral crusade. It is not a case of some over-zealous individuals attempting to force their lifestyle on others. It is responsible government action in reaction to overwhelming evidence—If tobacco were discovered tomorrow, no government would permit its sale, let alone its advertising".

I want to remind the House that the minister was a member of the Progressive Conservative Party. His initiative, as well as that of Ms. McDonald, a member of the New Democratic Party and minister John Munro, a member of my party in 1971 were supported by members of all political parties in the House.

The government knows that the members from all sides of this House may choose to differ on many different issues, but we have common interest when it comes to protecting the health of Canadians, especially young Canadians, from a lethal product.

Our challenge once again is to work together to reduce tobacco use. We accept this challenge with an increased knowledge and understanding about the physiology and psychology effects of tobacco use. We have learned more about the factors that influence the decision to start and continue to smoke, and about those who are most affected in encouraging people to quit.

We are better equipped today to respond to the judicial standards and expectations that must be reflected in any law that we draft.

• (1025)

The result is a bill that is balanced and reasonable and that responds to the factors that lead far too many Canadian children to smoke. About two-thirds of all young people try cigarettes. For about half of them, experimentation leads to a habit that becomes regular and addictive over a two or three year cycle.

At the outset, they think addiction is something that happens to other people, not them, and that the prospect of heart disease or cancer is far removed from them. Most believe that they will be able to stop whenever they want, but the facts are something

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different. That is what hundreds of thousands of young people say each and every year. However, the fact is that half will never quit.

Restricting youth access to tobacco products as much as possible is therefore critical. Restraining access and making it difficult for children ages 10 to 14 and teenagers to purchase cigarettes decreases the likelihood that those experimenting with tobacco will graduate to addiction. The tobacco act will introduce such restrictions.

Photographic identification will be required when proof of minimum age is requested by retailers. As corner stores and gas stations become less viable as a source of supply for young smokers, they will turn to other avenues.

In order to further reduce youth access to tobacco products through such sources, vending machine sales, and mail order distribution of tobacco products will not be permitted.

Self-service displays of tobacco products will also be prohibited. These displays enable underage youth to quickly and easily help themselves to tobacco products, regardless of age restrictions, thus beginning a purchase transaction that retail staff are less likely to challenge. Duty free stores will be exempted from this provision. The exemption is reasonable and will not undermine the achievement of our health objectives, given that these outlets operate in a controlled environment which unaccompanied youth generally do not frequent.

In order to enhance public awareness of the hazards of tobacco use, this legislation will increase the amount of health information to be displayed on tobacco product packaging.

Studies confirm that cigarette packaging is second only to television as a key source of health information about tobacco. A 1996 survey conducted for Health Canada revealed that 75 per cent of smokers want health warning messages to remain on cigarette packages as a reminder of some of the health consequences of tobacco use. Half of these smokers who tried to quit or cut back confirmed that labelling on the packages contributed to their decision.

In another study that same year, the majority of Canadians favoured expanding the amount of information on tobacco packages about the presence and effects of some of the toxic constituents in tobacco and tobacco smoke, such as arsenic, lead and others.

This bill will require that information. The tobacco act will also address the role that promotion plays in the decision to smoke. Promotion does much more than just convey factual information about a product. Through associations with people, objects, events and ideas, promotion creates a brand identity or image that influences and shapes the attitudes, beliefs and behaviours of consumers and potential consumers.

Clearly it is not the exposure to one ad, one display in a convenience store or one tobacco sponsored event that triggers the decision to smoke. People do not get up in the morning and decide suddenly to take up smoking, as some people may have suggested. As I have said before, the decision to smoke, which includes the decision to start and the decision to continue, is a gradual one.

Tobacco promotion contributes to that decision and hinders the quitting process by conveying as many positive and reassuring impressions as possible that smoking is desirable, socially acceptable and more prevalent in society than it actually is, that it is sexy and cool. One should do it to be part of the game.

It is the cumulative effects of tobacco promotion that we as legislators, not members who are bound by political ideology, but those of us as legislators transforming the political ideologies that are in the House, that we must address.

• (1030)

Tobacco promotion is pervasive all across this country. Our environment is literally papered with it from coast to coast to coast. Brand name promotions appear in magazines, on billboards, on the sides of buildings, buses, gas stations, airports and sports stadiums. Retail stores display tobacco brand names on clocks, countertop displays, life size cutouts of sports celebrities and even in ads laminated on the floors of different stores.

The tobacco industry insists that its marketing campaigns do not target youth but that is not the issue here. Whatever the ostensible intent of the tobacco companies, their rich promotional campaigns reach youth. Kids cannot help but be exposed to the images of tobacco that appear on every possible medium in every conceivable location across this country. Being more aware of promotional activities than other age groups, they are susceptible to it. An Ontario study showed that they can name the tobacco sponsors of sports and cultural events. In a Canada-wide survey, 88 per cent could name the country's two most popular brands of cigarettes. That is alarming.

It is not possible to promote a particular brand of a cigarette without at the same time promoting smoking. Our objective is to diminish the prominence and the exposure of tobacco promotion in order to diminish its reach and its influence.

The bill will therefore prohibit tobacco product advertising such as broadcast advertising and billboard, bus panel and street advertising. It will permit tobacco companies to communicate product and brand preference information in print ads in publications that are primarily read by adults, in direct mailings to adults and in places where children are not permitted by law, for example premises that are licensed to sell various alcoholic beverages.

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Under the bill the use of tobacco brand names or logos on youth oriented products or those with lifestyle connotations will not be permitted. Young people should no longer serve as walking billboards for tobacco products by wearing ball caps or backpacks emblazoned with cigarette brand names or symbols.

This bill will also regulate the use of tobacco brand names and other brand elements in the promotion of events sponsored by tobacco companies.

Allow me to emphasize an important point. This legislation will not ban tobacco sponsorship nor will it prohibit sponsorship promotion. Tobacco companies remain free to sponsor events and activities of their choosing and will continue to have scope to associate their brands with those events and activities. What the bill will do is limit the extent to which tobacco brand names and other brand elements can be used in the promotion of sponsored events.

Accordingly the display of tobacco brand names and brand elements will be restricted to the bottom 10 per cent of sponsorship promotional material. Such materials will only be permitted in publications that are read primarily by adults, in direct mailings and on the site of the sponsored event. The size of on site promotions and the length of time they can be displayed will in fact be regulated.

What does this effectively mean? It means that tobacco brand names can continue to be used in the name of an event, such as the Craven "A" Just for Laughs Festival, or in the location of the event, such as stade du Maurier, but it also means that the display of the brand names would be confined to the bottom 10 per cent of the promotional material. This is reasonable and it is balanced and it is fair. It enables the tobacco companies to continue to communicate brand information while at the same time contributing to the government's overriding health objectives.

Finally this legislation will give government the authority to regulate tobacco products. While we do not plan to exercise this authority right away, it is important that we have the flexibility to respond quickly to new products that may be introduced on to the market, as well as the developments in social and scientific knowledge as it evolves.

If and when it becomes possible to make tobacco products less hazardous without inadvertently creating new health hazards or triggering negative economic effects, we will have the means to do so.

• (1035)

The legislation will also ensure that we have the information we need to effectively monitor and enforce the production, promotion and sale of tobacco products. Tobacco manufacturers will be required to provide the government with product and sales infor-

mation as well as information about their manufacturing, distribution and promotion practices.

Great care has been taken to ensure the measures contained in this legislation reflect the guidance provided by the Supreme Court of Canada and respect the charter of rights and freedoms.

In its September 1995 decision the Supreme Court of Canada confirmed that the federal government has the criminal law power to control the advertising of tobacco products. It recognized that the detrimental health effects of tobacco consumption are both dramatic and substantial, and that in fact tobacco kills. As Justice LaForest wrote: "Parliament can validly employ the criminal law to prohibit tobacco manufacturers from inducing Canadians to consume these products, and to increase public awareness concerning the hazards of their use".

Moreover the court unanimously held that the purpose of the legislation, which is to reduce the health effects of tobacco consumption, is a valid and important legislative objective sufficient to warrant limiting freedom of expression. That is precisely what we have done. Justice McLachlin, who wrote the majority judgment, said: "Even a small reduction in tobacco use may work a significant benefit to the health of Canadians and justify a properly proportioned limitation of the right of free expression".

Contrary to what the tobacco industry may suggest, the Supreme Court of Canada recognized a link between certain forms of tobacco advertising and consumption. In particular the court stated that lifestyle advertising may as a matter of common sense be seen as having a tendency to discourage those who would otherwise cease tobacco use from doing so.

The court identifies options which would be a reasonable impairment of the right of free expression, namely: a partial ban on advertising which would allow product information and brand preference advertising; a ban on lifestyle advertising; measures to prohibit advertising aimed at children and adolescents; and attributed health messages on tobacco product packaging. These are precisely the measures that are incorporated in this bill. These clarifications are important because they set the context for the comprehensive and integrated set of measures that are contained in the legislation before us.

This legislation is a product of a deliberate and thoughtful process. We have taken the guidance of the Supreme Court of Canada. We have studied the results of the research conducted by and on behalf of Health Canada as well as the extensive body of international data on tobacco promotion and tobacco use.

We have consulted with the tobacco industry, with arts, cultural and sports groups, with health groups, with retailers and distributors, with tobacco growers and with festival organizers. We have consulted but consultation does not mean that we have to agree with each and every thing that the party across the table is putting

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forward. I resent to a certain extent those who are now saying that there has not been sufficient time for consultation.

When the blueprint was tabled in November 1995 over 3,000 interventions and representations were received from a variety of Canadians including those in the province of Quebec. These representations were in regard to a strategy for tobacco consumption. For them to come forward now and say to parliamentarians that they need more time, that they need to have additional consultations, I say that that is the recipe for the deferral and delay of the legislation which I do not believe is acceptable to any reasonable Canadian.

There is no magic solution to the public health epidemic of tobacco use in our society. There is no law that can turn this problem around overnight, but we can take steps to make tobacco less acceptable and less accessible to youth. We can take measures to counter the positive aura that so often contributes to kids' decisions to smoke. We can ensure that people have the information they need to understand what smoking does to their body and to those exposed to tobacco smoke. We can strike a balance between the reality of tobacco use, the charter of rights and the health interests of Canadians.

• (1040)

Our first priority is the health of Canadians and young Canadians in particular. We have proposed steps which should reduce their tobacco use and lessen the encouragement to smoke they encounter all around them. The bill will help to reduce the sense that tobacco use is just a right of passage for young people on the way to a glamorous adult life.

I imagine that very few of us can think about tobacco use without being able to name someone who has lost their life to it. We must persuade young people not to get on the treadmill that will see some 40,000 of our fellow citizens die early, unnecessarily and often painfully.

I close my intervention at second reading with a thank you. Since I have become Minister of Health, I have sustained opposition attacks from a variety of sources, but I want to congratulate the health critic for the Reform Party. He has put aside our partisan differences and has looked at the substance of what we are attempting to do. Because of that I have said to him privately, publicly and now on the floor of the House of Commons that that is the true test of those who take our oath in this House that we will do our utmost to try to improve the lives of ordinary Canadians. I am very appreciative of the hon. member's support. I look forward to hearing his speech and to meeting him at committee as we proceed with this legislation.

I wish to say to the Bloc critic I understand that Bloc members have legitimate concerns and complaints. They should be given the

opportunity to air them here today and also to express them at committee. However, I would hope that he could join not with me as a minister but with young Canadians from coast to coast to coast to try to move on this legislation so that it can be passed by Parliament as soon as is humanly possible.

Perhaps that is the best gift that members of the Bloc, the Reform, the New Democratic Party, the Conservative Party and my party could give to young people in this country: a message of health, a message of hope, a message of caring, caring about their futures.

I appeal not in an ideological sense, but I appeal to my colleagues in the Bloc man to man to take their responsibility seriously, which I know they will. Let us move expeditiously to put the legislation through the House as soon as possible.

I wish to apologize to my colleagues in the Bloc and the Reform. I am requested to be in cabinet as I now speak. I must leave the Chamber but I will return as soon as is humanly possible. I hope they will not look at my departure in any way as suggesting that I am not concerned or do not want to be here to listen to their remarks.

[*Translation*]

Mr. Antoine Dubé (Lévis, BQ): Madam Speaker, as a member of the Standing Committee on Health and the official opposition critic on tobacco, I am pleased to speak to Bill C-71, the Tobacco Act, at second reading.

Before the minister leaves, since I know he must leave us, I would like to tell him that I noted the kindness and appreciation he expressed to the Reform Party critic. Unfortunately, I will disappoint him somewhat, remaining as objective and non-partisan as possible.

• (1045)

I cannot go as far as the Reform Party critic, who, at a press conference, even before reading the bill clause by clause, spoke in favour saying that, for once, his party would support the bill to have it passed as quickly as possible, perhaps even before Christmas. He was satisfied with the information sheet provided by the minister some five minutes before the press conference.

I will disappoint the minister, but this sort of intervention is not in the style of the official opposition. Before we agree to, support or oppose a bill, we take the time to read it. We have read it and have reservations, which we will make known to the minister as positively as possible.

As all my colleagues are aware, at second reading, the practice in this Parliament is for the parties to vote primarily according to the principles and objectives of a given bill. It will perhaps surprise the minister, but the official opposition will vote in favour of this bill at

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second reading, because we agree with most of the minister's objectives. The first part of my speech will focus on this.

I would point out right off that the opposition cannot support the part concerned with the request by the Minister of Health for unusual—and I stress unusual—powers to regulate tobacco products, sales and advertising.

My colleague from Chambly is ready to rise on this matter and will give the minister a hard time. In our opinion, these powers are really unusual. Regardless of how noble the cause, the official opposition will never let the rights of parliamentarians be trampled by a minister who wants to give himself just about every power.

Our strongest reservations relate to the sponsorship provisions of the bill. I am pointing this out now, but I will elaborate later on. The Bloc Québécois will not support the bill at third reading if the federal government keeps refusing to compensate organizers of cultural and sporting events.

It may be that, given his mandate, the Minister of Health cannot do so. However, the heritage minister was unequivocal about this. We will try to make her change her mind, but she did say that she would not compensate the organizers of cultural and sporting events that are sponsored in Canada. You will hear from us on this issue, in committee and in the House.

Since we agree with most of the government's objectives regarding a reduction in health costs associated with tobacco use, we will support the bill at second reading because, as I said earlier, the vote at second reading usually relates to the objectives and principles of the legislation.

It is appropriate to point out the minister's objectives. Clause 4 reads as follows:

4. The purpose of this act is to provide a legislative response to a national public health problem of substantial and pressing concern and, in particular,

- (a) to protect the health of Canadians in light of conclusive evidence implicating tobacco use in the incidence of numerous debilitating and fatal diseases;
- (b) to protect young persons and others from inducements to use tobacco products and the consequent dependence on them;
- (c) to protect the health of young persons by restricting access to tobacco products; and
- (d) to enhance public awareness of the health hazards of using tobacco products.

● (1050)

With respect to the first subsection, concerning the seriousness of the problems in question, mention should be made of the publication, in the October 18 issue of the American weekly *Science*, of the results of the first study to determine conclusively that there is a direct genetic link between tobacco smoke and lung cancer.

According to this study by researchers at the University of Texas and the Beckman Institute in California, one of the chemical components present in tobacco smoke, a carcinogen, causes damage to the cells of human lungs that is comparable to the damage observed in most malignant lung tumours. According to the study results, this carcinogen damages gene P53, a gene that is critical to health, because it blocks the growth of cells that cause tumours. According to the study's authors, damage to gene P53 is linked to half of all cancers in humans, and to almost 70 per cent of lung cancers.

To date, no one has challenged this study. It provides conclusive evidence of a link between this carcinogen and lung cancer.

The minister has a second objective that we support, that of protecting young persons from inducements to use tobacco products and the consequent dependence on them. I could immediately mention the third objective of protecting the health of young persons by restricting access to tobacco products.

I was youth critic before I became health critic. For three years now, the official opposition has expressed its support for these goals and has even accused this government of not doing enough to attain them. More on that later.

The following are a few statistics on smoking by young people. At the present time, 29 per cent of young persons between the ages of 15 and 19, and 14 per cent between the ages of 10 and 14, smoke. Smoking among adolescents 15 to 19 years of age has gone up 25 per cent since 1991. It has gone up, and part of the reason is the present government's inaction. It is not the only reason, but is certainly one of the reasons.

Approximately 85 per cent of smokers took up the habit before they were 16. This is where attention must be focused. Efforts must be made to try to convince adult smokers to stop, but, more importantly, these people must make up their own minds to do so. Without a decision on their part, it will not be possible. But we in the official opposition agree with the minister that everything must be done to discourage young people who have never smoked from starting.

Thirteen- and fourteen-year-olds are particularly vulnerable, because the daily consumption of tobacco products increases steadily during that period and tends to stabilize by the age of 15. See how young they start smoking. It is estimated that 80 per cent of smokers have seriously considered quitting and that 80 per cent of them have tried to quit at least once.

Cigarettes are bought mainly at convenience stores. In 1994, nearly half the young people in the 10 to 14 age group who tried to buy cigarettes in a store—I repeat, half of those in the 10 to 14 age group—were never asked how old they were or refused the cigarettes they were asking for. That is what a study commissioned

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by Health Canada showed. According to 91 per cent of young people, and I think it is important to point this out, tobacco is habit forming. That is what we must work on.

I emphasize the federal government's ineffectiveness in enforcing the existing legislation regarding the sale of tobacco products to young people. Elsewhere in that study, it was reported that, across the country, 50 per cent of retailers did not enforce the law in this respect.

• (1055)

No wonder tobacco use among young people has increased by 25 per cent since 1991. In fact, the percentage is even higher among young girls. With only 40 or so federal inspectors to monitor convenience stores throughout Canada, does this come as a surprise? No.

The fourth objective pursued by the minister is to enhance public awareness of the health hazards associated with tobacco use. Again, we in the official opposition have taken every opportunity to press the current health minister and his predecessor to do more in terms of public education.

Why? Because it has been demonstrated time and time again that, for every dollar invested in prevention and public education on health matters, between seven and ten dollars could be saved in the long term. I find that previous Health Canada initiatives have proven, as I said, extremely ineffective. The minister is urging us to spread information. He has distributed documentation and we agree with some of what it says. This is a good opportunity to go over the statistics.

In Canada, in 1991, smoking caused an estimated 27,867 deaths among men and 13,541 among women, for a total of 41,408 deaths. Twenty one per cent of all deaths in Canada that year were caused by smoking. Smoking remains the leading cause of preventable death and disease in Canada. It is estimated that more Canadians die prematurely each year from smoking than from car accidents, suicide, drugs, murder and AIDS combined. In 1991, deaths related to tobacco use accounted for about 62 per cent of the total increase in the number of deaths since 1989. In that same year, there were 11,841 deaths in Quebec.

Lung cancer accounted for respectively 31 and 26 per cent of smoking related deaths among men and women. Ischemic heart disease, or heart attacks, accounted for 25 and 20 per cent of the deaths among men and women, respectively. The number of deaths relating to tobacco use increases more rapidly among women than men. The number of such deaths among women went from 9,009 in 1985 to 13,541 in 1991.

Given the considerable increase in the number of female smokers in the sixties, the number of smoking related deaths among women is expected to continue to rise until the end of the nineties, and could equal, if not exceed, the number of such deaths among men by the year 2005.

In 1991, the costs of tobacco use in Canada were estimated at some \$15 billion. Smokers spend more time in hospitals than non-smokers do. In 1991, they spent 4 million days in hospitals. That same year, the treatment of tobacco related diseases resulted in a total of 1.4 million medical prescriptions being issued.

Still in 1991, 38,000 people spent time in long term care facilities because of tobacco related diseases. Overall, the use of tobacco results in annual health care costs of some \$3.5 billion in our country. On average, smokers missed four days more than non-smokers at work, for a total of 28 million days.

We should also mention the 40,000 plus deaths that are related to the use of tobacco and that will result in a \$10.6 billion loss in future revenues.

• (1100)

That covers the main points of the health department's informative approach. Some may find it morbid.

Although I think the harmful effects of tobacco have to be mentioned, a more positive approach could also be developed, something more all-encompassing than the approach the department is now taking, and has been taking for a number of years now.

Before entering politics, I worked in recreation and sports. In fact, the reason I stopped smoking was because I was so interested in sports. I smoked next to nothing because I quickly realized that it was not possible to run a good marathon or 10 kilometre race as a smoker.

Do you know any marathoners, any Olympic athletes who smoke? They know only too well that it is not good for their performance.

Madam Speaker, I know you like singing. I am sure you know that most singers, Céline Dion comes to mind, do not smoke, because it damages the vocal cords. I think we should make the public more aware of these examples, through advertising or some other means.

The whip, who used to be a professional referee and came into contact with professional hockey players, could surely confirm that he has seen very few professional hockey players smoke. In any event, those who did cut short their career. I digress.

In Quebec, Kino-Québec used an extremely positive approach focusing on sports and health. A "play outdoors" theme was used to encourage people to participate. The theme targeted everyone, not just Olympic athletes. The idea was to get out and about in the fresh air, go mountain climbing. When you have made it to the top of Mont Jacques-Cartier in the Gaspé and you see caribou, and the air is crisp in your lungs, do you crave a cigarette? No, you do not, Madam Speaker. That would be an all-encompassing positive approach. But no.

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Instead of that, what does the federal government do? It cuts funding for sports and recreation; it is even cutting back on funding for Olympic athletes.

Once upon a time, this department went by the name of Fitness and Amateur Sport. Those days are long gone. Now they are happy to take a more regulatory approach. They ban this, they regulate that. This has become the trademark of the Liberal government. Despite its adopting strict legislation on young people three years ago, it is not even capable of applying it. Legislation is only good if it is enforceable.

A law that is good but unenforced is not necessarily a bad law, but it is a rather ineffective one. This is what we are seeing with the federal government at the present time in the area of health, smoking in particular. This government has been humming and hawing for three years, and has not been enforcing its legislation.

The minister even complemented the RCMP for its anti-smuggling efforts. I shall not go into that episode, for lack of time, but I believe that the outcome in 1994 was disastrous. It was disastrous. I am not prepared to congratulate them. I will wait until there is a real change, before I follow his example.

We believe that the government, if it wishes to take a positive approach, and if it recognizes that smoking is the top-ranking cause of death, ought to be prepared to take action and to put its money where its mouth is. If it believes that advertising is contagious and strongly influences consumers' decisions, why would it not do more positive advertising, illustrating the benefits of being healthy, being fit, and in particular being a non-smoker? Why does it not do this?

• (1105)

We do, however, acknowledge that the government's efforts relating to advertising are praiseworthy, and correct, where radio and television and so on are concerned. We are going to vote in favour of the objectives and principles of this bill.

Because we have so many reservations, however, and particularly because our major objection concerns sponsorships—we are opposed to the minister's interference in this area—we shall be proposing a great many amendments to him in committee. If he sticks with his policy, we are going to invite him, once again, to compensate the organizers of sporting and cultural events. We are going to insist he do so. We are going to criticize his approach.

Clearly, the minister is applying the decision of the Supreme Court and the fact that the court rejected the government's position, and so he cannot completely prohibit sponsorship. He is therefore proposing something I would consider rather ridiculous. He is not prohibiting sponsorship entirely, but limiting it to 10 per cent.

Sponsors are entitled to 10 per cent of the advertising space at the event provided the advertising is at the lower level.

The bill before us does not indicate how the minister will close certain loopholes, including one obvious one. Imagine a sign four feet by ten feet that was allowed on the site of an event in the past. Under the 10 per cent rule, how is the sponsor going to go about maintaining the space he had in the past? He has only to multiply the size of the sign by ten. It is not uncommon to see huge signs at such events. He has only to do that and will achieve the same result. As we can see, then, this rule is hard to apply.

The minister says he will regulate this. He says the only thing he cannot prohibit apparently is the use of colour. This is his only reservation. As for the rest, he says we will see how tobacco companies react. There are fewer restrictions in this rule of 10 per cent than in the old bill, which was thrown out by the Supreme Court.

If the bill is not amended, with this 10 per cent multiplied by 10 arrangement, it would be possible to portray Céline Dion and Jacques Villeneuve or an Olympic athlete in the process of smoking, so that young people see that smoking would not be a bad thing for their career. I am not saying these two people smoke. It is unlikely such famous people smoke. Others, however, might be tempted to smoke by the lure of money. Nothing in the bill prevents this.

The minister's approach is strange. He appears to be a severe man wanting to prohibit smoking, but, his bill has a hole in it. If the tobacco companies were to operate in bad faith, they could easily put it to use.

More than 300 Canadian organizations count on tobacco companies to sponsor their events. These sponsorships represent more than \$60 million, some estimate them to be as high as \$65 million for Canada as a whole, with \$30 million for Quebec. Without compensation, many of these sporting and cultural organizations may well disappear.

• (1110)

The reputable SECOR management consulting group, which specializes in the analysis of economic benefits, selected 20 of these events and compiled studies on their many ramifications to show the important impact these events have on the Canadian economy at a time when funding from the various levels of government is becoming scarcer and scarcer. The 20 events examined by the SECOR group produced \$240 million in spin-offs and created approximately 5,000 jobs. We have a government that pays lip service to job creation but takes little action in this regard, while these events actually generated 5,000 jobs.

According to the SECOR group, the events also produced at least \$66 million in income for individuals, \$34 million for businesses and \$18 million for, guess who, the various levels of government.

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This is \$18 million in government revenue that will disappear along with the events that generated it.

In addition to their cultural interest, events sponsored by tobacco manufacturers promote the economic development of various industries, thereby benefiting society as a whole. I am still talking about cultural and tourist events.

We also disagree with the regulatory aspect. We have concerns and, unless changes are made, we will vote against the bill at third reading. If no changes are made in committee and the government closes all doors regarding regulations, we will have to oppose the bill.

My colleague from Chambly will address this in greater detail later, but with this legislation, the minister gives himself the power to regulate just about anything in areas that usually fall under provincial jurisdiction. Health is clearly identified as such in the Constitution.

Reference was made to advertising at the provincial level. That is an area of provincial jurisdiction as well. As for trade, it too normally falls under provincial jurisdiction. But here comes the minister saying that there is no problem, that he is prepared to regulate.

Clauses 7 and 17 were mentioned, and there are many more, but what worries me the most is clause 53 in Part VI, which reads in part as follows:

—the burden of proving that an exception, exemption, excuse or qualification prescribed by law operates in favour of the accused is on the accused—

This is reversing the burden of proof in a way that disadvantages the accused. This would mean that, after a preliminary case has been made by the crown, a retailer charged with any offence will have to prove that an exception, exemption or other excuse exists to justify his action.

Reversing the burden of proof is a very exceptional measure in penal and criminal law, since it violates the presumption of innocence under the charter of rights and freedoms.

I also want to discuss the issue of seizure. The bill provides that inspectors may seize any tobacco product or other thing by means of which or in relation to which they believe on reasonable grounds that the act has been contravened. This gives the inspector a lot of discretionary power.

A very broad discretionary power is given to the inspector, who has authority to seize just about anything. This could lead to some abuse. For example, imagine that cigarettes are seized from a retailer, who is later cleared of the charge against him. This person could end up with an outdated stock of cigarettes and suffer a major financial loss.

I also want to say something about the Supreme Court. The hon. member for Chambly will discuss it in greater detail, but we Quebecers are somewhat leery of the Supreme Court. My office is close to the Supreme Court. I look at it every day and it reminds me of certain things. It reminds me, among other things, that most Supreme Court judges are from Ontario. Not only is it located on the Ontario side, but Quebec is also under-represented. This situation has always been deplored by Quebec premiers, even those who were federalists, like Robert Bourassa.

• (1115)

Both the minister and his Justice colleague are leaving it up to the Supreme Court to determine the constitutional future of the country, to decide whether or not we will have the right, following a positive result in a referendum, to achieve sovereignty.

Every day, I hear ministers rise in this House and say: “We cannot compensate the 80-year-old retired Singer employees under POWA, because we need to get an opinion from the court”. The issue has to be heard by the Supreme Court, and people must wait years for a decision. Given that these people are now 80 years old, some of them may not be around long enough to get a settlement.

The Supreme Court invalidated three sections of the Tobacco Products Control Act on September 21, 1995, seven years after the act was passed. The legislation had been ruled unconstitutional by Quebec’s Superior Court, in 1991. However, that decision was overruled by the Quebec Court of Appeal.

At every stage of the legal challenge, the courts ruled on whether or not the legislation violated the freedom of expression provided under the Canadian Charter of Rights and Freedoms. We all remember that famous document. We support the basic rights provided under the charter, which is now part of the Constitution, but now the issue is left in the hands of the Supreme Court. However, since we still fear the Supreme Court, which has always been partial to one side, we are understandably suspicious.

The Supreme Court finally decided in favour of the tobacco companies in a very close judgment, five judges in favour and four against. The ultimate aim of this case was to determine if there was a causal link between a total ban on tobacco advertising and a decrease in the number of smokers. All judges agreed that, with this law, the government was infringing upon the freedom of expression guaranteed in the Charter. Four of the nine judges, however, believed that this violation of freedom of expression, under section 2(b), was justifiable under section 1 of that same Charter, which allows reasonable limits on certain freedoms. Five judges, however, found that the government was going too far.

With its new legislation, the government claims to be prepared to win any future court challenge. Health Canada employees told us they had obtained an opinion from the Department of Justice to that

effect. If this legal opinion exists, let it be made available to MPs so that their work is not in vain, should this opinion not be as obvious as the Minister of Justice would have us believe.

At any rate, we can sense some uncertainty in the very structure of the bill. That is unusual. In each section of the bill we can clearly see that the minister is giving himself the power to regulate, as if he were, basically, expecting not only challenges, but a possible repeat of the loss in the Supreme Court. He could say: "We cannot apply that part, but we are continuing to apply the rest". We can see that the minister is unsure. It is all very well for him to put on a flamboyant act, but the structure of his act indicates some uncertainty and worry.

There may be more than a few challenges. Perhaps the government will be caught unawares by many different challenges, which could result in so many sections being invalidated that it might be forced to bring in new legislation.

At a press conference on December 3, Bob Parker, the president of the Canadian Manufacturers' Association, stated that, if the federal government's bill were not substantially amended, dozens of challenges could be expected.

Obviously, I could have a great deal to say on this. We will save our breath for the work in committee. I would, therefore, like to end here, allowing some time for other members to express their reservations and objections about sponsorships, the regulatory aspect and the non-respect of certain individual rights.

• (1120)

I am sure that a number of my colleagues will, as I am doing, express their approval this morning for the objectives, particularly as concerns young people under 18. The official opposition supports these objectives. It does not agree, however, with the means to achieve them. In some respect, we wonder whether things have not got a little out of hand.

We would certainly have liked the opinions of the provinces as well, of all the provinces, because this involves health. The minister makes no mention of working with his provincial counterparts.

Another element concerns us as well. It is the minister's timing in introducing his bill. This is not unimportant, although we are somewhat used to it. I am a member of the Standing Committee on Human Resources Development. The government did the same thing last year with the Employment Insurance Act, in the same circumstances. It tabled its bill at the beginning of December.

Why chose this point in time to introduce bills that may well be controversial or criticized? The answer is that the ministers of this government hope people have already started their Christmas festivities and that they will be more kindly disposed. They hope

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that people in general will be more docile, I would say, or less attentive to the debate on a bill, because we know how distracted people can be during the holiday season.

This is unacceptable. The bill has not been passed yet, but we are assuming that the government will want to move quickly. It is no assumption, as we have already been asked to co-operate. Even before the bill was tabled, all members of the Reform Party, who were probably in a hurry to leave on holidays, agreed that the bill should go through the various stages quickly—second reading, study in committee and then third reading—before Christmas as a Christmas present for Canadians. Some presents turn out to be nasty surprises, as you know, so we have to be careful.

At Hallowe'en, little children are told to be careful with candies. They look good, but sometimes they contain needles. We have to take the time. We are asking the government to be careful. It must not succumb to the temptation of going too quickly, because a bill passed too quickly is often flawed and does not contain enough amendments to improve it, so that it ends up being criticized by people and businesses. It may suffer the same fate as the last bill, which was challenged in court and eventually invalidated, forcing the government to introduce another bill.

In the meantime, years go by. The objectives of a minister or a government cannot be reached, because the government's action is ill-considered. We do not want the government to act thoughtlessly. We do want to help it achieve its objectives, as long as it respects the rights and freedoms of individuals and groups and avoid doing more harm than good, that is depriving organizations trying to improve the well-being of the public.

I could go so far as to talk about the gross national well-being, because festivals are not simply festivals. Cultural and sporting events provide a positive setting for people in hard economic times. We need such events; they create jobs. We are talking of 5,000 jobs for only 20 events.

The minister requested our co-operation earlier. He will have it, but he must not push to have his bill rushed through the House, because we will object. We will defend the rights of parliamentarians. We will not allow our powers to be taken away and given to a minister who wants to move too quickly.

• (1125)

[*English*]

Mr. Grant Hill (MacLeod, Ref.): Madam Speaker, I am speaking today on Bill C-71, an act to regulate the manufacture, sale, labelling and promotion of tobacco products.

I have quite a personal interest in this subject. In my 25 years in medical practice literally every day I faced people who were ill from smoking related diseases. I have also faced over and over again people who wanted to quit. I have tried nicotine gum,

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nicotine patches and I have had patients go for hypnosis, recognizing full well that there is a big problem with tobacco in our country.

On a personal note, when I set up my practice I watched a number of my senior colleagues who smoked. In medical staff meetings when I started my practice, 50 per cent of my colleagues were smokers. By the time I resigned my position in the hospital to run for Parliament not one colleague smoked. I use that as an example. There has been a change in thinking in the medical community on tobacco as new evidence came to the fore. It became quite obvious that smoking was not just a benign activity.

I would like to express today the expectation that people at home have of an opposition politician. Opposition politicians traditionally find fault and criticize everything. That is part of the job of an opposition politician. In some cases it can be destructive rather than constructive.

I have had constituents say to me: "Surely there is something that those government MPs bring to the floor that you can support". And a specific quote: "You all fight like children rather than improving legislation co-operatively". I have taken that to heart and have tried to approach this bill with that idea. This should not be partisan. Partisan considerations should take a back seat when health issues are being considered.

To that end I am not going to nitpick about this bill. I will make a couple of broad comments about some deficiencies in it, but I will save my concerns for the committee stage. However, I think there are significant shortcomings. I hope that I will get the same constructive spirit of co-operation from my colleagues.

Reform asked to fast track this bill and I would like to explain to the House and to Canadians why. For over a year after the blueprint was presented which basically laid out where the tobacco measures would go I waited for action. The major press conference that was called over a year ago was followed by silence. Some promises were made but no action. During that period of time a new generation of smokers started smoking at an unprecedented rate.

I had my staff do a graph for me because I do not always trust statistics that come from various groups. This graph showed the per capita cigarette consumption in Canada and the United States between 1970 and 1994 which were the last figures that were readily available to me.

This graph was very interesting. It showed the U.S. and Canadian experience with per capita cigarette consumption following very closely. If the two lines were drawn it looked like the two were in lock step together. Because I cannot use this as a prop I have to describe what I have in the graph. It actually looked like a ski jump with a real nice downward slope, both the U.S. and Canada following that downward slope with per capita cigarette consumption a little bit better in Canada than in the U.S.

That lock step, that drop down, stopped in Canada quite abruptly in 1993. It actually then looked like a ski jump where it goes upward. The same thing does not happen in the U.S.

• (1130)

Here we are back from 1970 to 1994 with the two countries moving together with excellent reduction in per capita cigarette consumption.

Then boom, there was a change in 1993 which did not happen in the U.S. Two things happened in Canada to change our cigarette consumption, the tax rollback and the supreme court shut down of the legislative measures that Canada had in place.

Second, I looked at a chart on Canadian tobacco consumption. Because tobacco consumption can be measured in many ways I chose one that looked to be the most accurate. It included domestic sales of tobacco and also the contraband market. It showed the number of Canadian cigarettes smuggled into Canada as best could be ascertained and all the contraband. It included other forms of consumption like consumption by returning residents bringing back their imports.

The figures were really interesting. In 1991 compared to 1990 there was a drop of 6.16 per cent in Canadian tobacco consumption. In 1992 there was a drop of 0.39 per cent, not as big a drop. In 1993 there was a drop of 3.49 per cent. This is the same downward trend in total tobacco consumption in Canada. In 1994 there was a break in the trend with an increase of 9.2 per cent.

With those independent studies in mind I determined that there was a vacuum in Canada that was being filled by the tobacco companies with glee. I looked at the tobacco companies' profit picture, which was very very good. There was a new group of youthful addicts and a new market for the tobacco companies.

Because I believe in small government, the least intrusive legislation that is effective and enforceable and clearly specified regulations in legislation, I paused for a long time over legislative measures in this area. But the health of our youth is more important than restrictions on activities that are solely profit driven. That is why I have recommended to my colleagues that we push hard to see this legislation on the floor of the House of Commons.

What do tobacco manufacturers do that every Canadian should know? I have spent a lot of time on this issue. I have listened very plainly to tobacco manufacturers say that they do not, want not and will not conscript youth to smoking.

I have an internal tobacco company document that talks about the objectives of looking to sports as a mechanism of advancing the tobacco companies' interests. I will read part of it: "To brand the

events”—sporting events—“we sponsor via media advertising so as to increase the level of awareness particularly among smokers and potential smokers”. The document goes on to say that these major world class sporting events and artistic productions will be the mechanisms.

Off to the side there is a little note on the groups being targeted by these proposals. The first target group is composed of males age 12 to 24. The second target group is composed of females age 12 to 17. This is from a lobby group that says it will not, cannot and must not target youth for smoking. That document directly and completely makes that comment inaccurate. I could use much stronger words.

• (1135)

On cancer, I have listened to the tobacco industry for years and years saying that there is no direct connection with cancer, that no direct connection has been proven. New genetic research has just surfaced which is conclusive: tobacco causes cancer. In fact, the member for the Bloc has actually mentioned the specific research.

I have waited, watched and hoped for a retraction from the tobacco companies of this long held statement that tobacco does not have a direct link to cancer. I have waited and will continue to wait because that retraction has not and will not come.

Another thing I pay attention to is the argument that sponsorship will cease and plunge the art groups into the wilderness if this legislation goes through. I went back to the record of the last round of tobacco legislation and found that this very argument was used. Without going into a long discussion on this, I extracted from hearings on Bill C-51 some information. The Royal Canadian Golf Association stated it would not be able to replace the tobacco sponsor of its Canadian open men's golf tournament if Bill C-51 came in. Today those members who are interested golf would know that the event continues very successfully and the sponsor today is Bell Canada, which stepped in on the issue, very comfortably taking up the sponsorship vacuum.

On the international experience, I am a real keen race car guy. Car races are sponsored by tobacco manufacturers. I have personally have competed in a big event where my car bore tobacco advertising. There is quite an international change away from allowing this type of advertising. Because I like racing, I watched the Formula I circuit. Jacques Villeneuve here in Canada has a very specific logo on his driving suit and on the wing of his car. I will not give the company extra advertising by saying what the company is. In France and Germany on the Formula I circuits there are no logos on the cars or on the suits.

Can Canada do the same? Will the Formula I circuit, the Indy circuit and the rest of motor racing fall into an abyss because the sponsorship will be reduced? Not a chance.

I have also watched the international moves by the U.S. It has taken some very dramatic steps on nicotine to recognize nicotine as

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an addictive drug and to call the cigarette a drug delivery device. This is intellectually consistent and a very powerful way of changing the way tobacco is looked at in North America.

So why fast track this bill? I would like to talk for a moment about the bill. We have pushed this legislation to the floor of the House of Commons by saying that we would fast track it. I believe there were some internal division in the government and I believe they were actually paralyzing the government. It took 18 months for Jake Epp to bring Bill C-51 through the process. If it had taken 18 months to put this bill through the process, I could not face myself with a new generation of youthful smokers. I think Jake Epp went through a legislative process which was awful.

I said I would not try and nit pick on the bill, but I have a couple of criticisms. The undefined, unspecified powers granted in the bill are too broad. This is in the regulatory component. I and my colleagues will work to define and specify those powers.

We do not always have to be serious in the House of Commons. There are a couple of things in the bill that are a real chuckle. I am going to read this for the Canadian public. Clause 10(1) states: “No person shall sell cigarettes, except in a package that contains fewer than 20 cigarettes” and it goes on “or fewer than a prescribed number of cigarettes, which number shall be more than 20”. I hope there is a wording mess-up in the bill because I have asked as many of my colleagues as I could what that clause means. I figured maybe I had gone senile. I hope it is a misprint.

• (1140)

There is a regulation which appears on page 12 of the bill: “The governor in council may make regulations”—and then we flip over to paragraph (i)—“prescribing anything that by this part is to be prescribed”. We are talking about big powers. The governor in council could turn aircraft into land machines with that sort of power.

As I say, I believe those regulatory powers must be defined and specified. I would like to see and have continued to hope for the health committee, when regulatory powers come in, be the actual spot where these things are reviewed by elective representatives so the governor in council will not be able to just steamroller things along.

Finally, I would like to say something to my smoking audience. I know they enjoy smoking. I know they accept the risks of smoking. This is to my colleagues as well. I do not believe this bill is directed to them. It is directed mostly to the kids. However, I want to say to them that the most poignant quitters I have been involved with in my years of trying to get people to quit smoking are those who quit because of a comment made by little Johnnie, who comes home from school and says something like: “Daddy, please don't smoke. I love you. I want you to quit smoking. I need you nearby”. Those smokers quit because a little one they love cares for them

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and says "please quit smoking". I have very little trouble with those smokers. When they wanted to quit, they quit quickly.

This bill should now go to committee. Reformers will still work hard for specific improvements in committee. Consequently, I move:

That the question be now put.

The Acting Speaker (Mrs. Ringuette-Maltais): Is there unanimous consent for the motion?

Some hon. members: Agreed.

Some hon. members: No.

• (1145)

[*Translation*]

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mrs. Ringuette-Maltais): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mrs. Ringuette-Maltais): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mrs. Ringuette-Maltais): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mrs. Ringuette-Maltais): Call in the members.

• (1220)

[*English*]

Before the taking of the vote:

Mr. Speller: Madam Speaker, I rise on a point of order. As you know I was on the list to speak next on this subject. Unfortunately the Reform Party of Canada decided to deny me my right to speak on the matter by putting forward a motion in this House to delay the voting on this.

I am wondering if I could then get the consent of the House to allow me to put forward the views of my constituents. As you know, Madam Speaker, there are 1,200 farmers in my area who are in the tobacco industry and are affected every time a tobacco bill is

brought forward in the House. I wonder if I could have that consent.

The Acting Speaker (Mrs. Ringuette-Maltais): Does the hon. member have the unanimous consent of the House?

Some hon. members: No.

The Acting Speaker (Mrs. Ringuette-Maltais): The hon. member does not have unanimous consent.

[*Translation*]

Mr. de Savoye: Madam Speaker, when the hon. member from the Reform Party moved the previous question, I was on my feet, ready to speak on debate. However, I obviously did not manage to catch your attention, because I was not recognized. We then started the process of voting, which is the stage we are at.

I would respectfully suggest, Madam Speaker, that you reconsider your decision and allow this House to continue debating the main motion. I would like to quote, if I may, Beauchesne's citation 521, which states that the previous question is moved when the original question is under debate. Its purpose is to force a direct vote on the original motion, thereby preventing any amendments to the original question to be proposed. Clearly, what we are doing is not serving the intended purpose of the motion, as the normal procedure was not followed.

I would respectfully suggest that you bring us back to where we should normally be.

The Acting Speaker (Mrs. Ringuette-Maltais): In response to the point of order made by the hon. member for Portneuf, the Chair did not recognize the hon. member and called a vote, which will now be taken.

[*English*]

Mr. Strahl: Madam Speaker, the member for Haldimand—Norfolk said that the Reform Party had denied him his right to debate. I would just like to point out that—

The Acting Speaker (Mrs. Ringuette-Maltais): Hon. member, is this a point of order on the process?

Mr. Speller: Yes, Madam Speaker, on that same point. As with the hon. member from the Bloc Party, I also rose to speak at that time and unfortunately you did not recognize me nor did you recognize the hon. member either. I am wondering if we can go back to the point.

[*Translation*]

The Acting Speaker (Mrs. Ringuette-Maltais): The hon. member for Kamouraska—Rivière-du-Loup has a point of order. Is this a point of order the Chair has already ruled on?

Mr. Crête: No, Madam Speaker.

The Acting Speaker (Mrs. Ringuette-Maltais): No? So I recognize the hon. member for Kamouraska—Rivière-du-Loup.

Mr. Crête: Madam Speaker, yesterday, a whole day was allocated to a debate on a matter we had already discussed two or three months ago. The House spent a whole day on that. Now, we are debating a bill that has been under discussion for months and—

[English]

The Acting Speaker (Mrs. Ringuette-Maltais): The Chair will now go to the question.

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

(Division No. 196)

YEAS

Members

Abbott	Anderson
Arseneault	Assadourian
Axworthy (Winnipeg South Centre/Sud-Centre)	Bélair
Bélanger	Baker
Bakopanos	Barnes
Bellemare	Bethel
Bevilacqua	Bodnar
Boudria	Bridgman
Brown (Oakville—Milton)	Brushett
Byrne	Calder
Campbell	Catterall
Chatters	Cohen
Collins	Copps
Cowling	Culbert
Cullen	Cummins
DeVillers	Dhaliwal
Dingwall	Dion
Discepolo	Duhamel
Duncan	Dupuy
Easter	English
Epp	Finestone
Finlay	Flis
Fontana	Forseth
Frazier	Fry
Gaffney	Gagliano
Gilmour	Gray (Windsor West/Ouest)
Grey (Beaver River)	Grose
Harb	Harper (Churchill)
Harper (Simcoe Centre)	Harris
Harvard	Hayes
Hickey	Hill (Macleod)
Hill (Prince George—Peace River)	Hubbard
Jackson	Johnston
Jordan	Kerpan
Keyes	Kilger (Stormont—Dundas)
Knutson	Kraft Sloan
Lastewka	MacAulay
MacDonald	MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi	Maloney
Martin (Esquimalt—Juan de Fuca)	Martin (LaSalle—Émard)
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
Meredith	Mifflin
Minna	Mitchell
Morrison	Murphy
Murray	Nault
O'Brien (London—Middlesex)	O'Reilly
Paradis	Patry
Peric	Peters
Peterson	Pettigrew
Phinney	Pickard (Essex—Kent)
Proud	Reed
Richardson	Rideout
Ringma	Robichaud
Robillard	Scott (Fredericton—York—Sunbury)
Scott (Skeena)	Shepherd
Sheridan	Simmons
Skoke	Solberg
Speaker	St. Denis

Steckle
Stinson
Szabo
Terrana
Torsney
Vanclief
Volpe
Whelan
Williams
Young

Stewart (Brant)
Strahl
Telegdi
Thalheimer
Valeri
Verran
Walker
White (Fraser Valley West/Ouest)
Wood
Zed—138

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Members

Asselin	Bélisle
Bachand	Bergeron
Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Brown (Calgary Southeast/Sud-Est)	Bryden
Crête	Dalphond-Guiral
de Savoye	Deshaiés
Dubé	Duceppe
Dumas	Fillion
Gagnon (Québec)	Godin
Guay	Guimond
Hart	Jacob
Lalonde	Landry
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
Leblanc (Longueuil)	Lefebvre
Leroux (Richmond—Wolfe)	Leroux (Shefford)
Loubier	Ménard
Marchand	Mayfield
Mercier	Nunez
Paré	Rocheleau
Sauvageau	Serré
Solomon	Speller
Taylor	Tremblay (Lac-Saint-Jean)
Tremblay (Rosemont)	Ur
Venne—49	

PAIRED MEMBERS

Axworthy (Saskatoon—Clark's Crossing)	Canuel
Caron	Chan
Chrétien (Frontenac)	Crawford
Eggleton	Gauthier
Kirkby	Lee
Loney	Picard (Drummond)
Pomerleau	Tremblay (Rimouski—Témiscouata)

• (1235)

[Translation]

The Deputy Speaker: I declare the motion carried.

[English]

The next question is on the main motion. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

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Some hon. members: Nay.

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

And more than five members having risen:

[*Translation*]

Mr. Dubé: Should the bells not be sounded for half an hour, Mr. Speaker?

The Deputy Speaker: I do not think so. It seems pretty clear cut in Standing Order 45. Paragraph 45(8) states, and I quote:

45.(8) If, pursuant to any Standing or Special Order of the House, two or more recorded divisions are to be held successively without intervening debate, the division bells shall be sounded to call the members only once.

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

*(Division No. 197)***YEAS**

Members

Abbott	Anderson
Arseneault	Assadourian
Asselin	Axworthy (Winnipeg South Centre/Sud-Centre)
Bélaïr	Bélangier
Bélaïse	Bachand
Baker	Bakopanos
Barnes	Bellemare
Bergeron	Bethel
Bevilacqua	Bodnar
Boudria	Bridgman
Brown (Oakville—Milton)	Brushett
Byrne	Calder
Campbell	Catterall
Chatters	Cohen
Collins	Copps
Cowling	Crête
Culbert	Cullen
Cummins	Dalphond-Guiral
Deshaies	DeVillers
Dhaliwal	Dingwall
Dion	Discepola
Dubé	Duceppe
Duhamel	Dumas
Duncan	Dupuy
Easter	English
Epp	Fillion
Finestone	Finlay
Flis	Fontana
Forseth	Frazier
Fry	Gaffney
Gagliano	Gagnon (Québec)
Gilmour	Godin
Gray (Windsor West/Ouest)	Grey (Beaver River)
Grose	Guay
Guimond	Harb
Harper (Churchill)	Harper (Simcoe Centre)
Harris	Harvard
Hayes	Hickey
Hill (Macleod)	Hill (Prince George—Peace River)
Hubbard	Jackson
Johnston	Jordan
Kerpan	Keyes
Kilger (Stormont—Dundas)	Knutson
Kraft Sloan	Lalonde
Landry	Lastewka
Laurin	Leroux (Richmond—Wolfe)
Leroux (Shefford)	Loubier
Ménard	MacAulay
MacDonald	MacLellan (Cape/Cap-Breton—The Sydneys)
Malhi	Maloney
Marchand	Martin (Esquimalt—Juan de Fuca)
Martin (LaSalle—Émard)	Mayfield
McCormick	McGuire
McKinnon	McLellan (Edmonton Northwest/Nord-Ouest)
Mercier	Meredith

Mifflin	Minna
Mitchell	Morrison
Murphy	Murray
Nault	Nunez
O'Brien (London—Middlesex)	O'Reilly
Paré	Paradis
Patry	Peric
Peters	Peterson
Pettigrew	Phinney
Pickard (Essex—Kent)	Proud
Reed	Richardson
Rideout	Ringma
Robichaud	Robillard
Sauvageau	Scott (Fredericton—York—Sunbury)
Scott (Skeena)	Serré
Shepherd	Sheridan
Simmons	Skoke
Solberg	Solomon
Speaker	Speller
St. Denis	Steckle
Stewart (Brant)	Stinson
Strahl	Szabo
Taylor	Telegdi
Terrana	Thalheimer
Torsney	Tremblay (Rosemont)
Ur	Valeri
Vanclief	Verran
Volpe	Walker
Whelan	White (Fraser Valley West/Ouest)
Williams	Wood
Young	Zed—172

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Members

Bernier (Gaspé)	Bernier (Mégantic—Compton—Stanstead)
Brown (Calgary Southeast/Sud-Est)	Bryden
de Savoye	Hart
Jacob	Langlois
Lavigne (Beauharnois—Salaberry)	Lebel
Leblanc (Longueuil)	Lefebvre
Rocheleau	Tremblay (Lac-Saint-Jean)
Venne—15	

PAIRED MEMBERS

Axworthy (Saskatoon—Clark's Crossing)	Canuel
Caron	Chan
Chrétien (Frontenac)	Crawford
Eggleton	Gauthier
Kirkby	Lee
Loney	Picard (Drummond)
Pomerleau	Tremblay (Rimouski—Témiscouata)

● (1245)

The Deputy Speaker: I declare the motion carried. Consequently, the bill is deemed referred to the Standing Committee on Health.

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

Mr. Duceppe: Mr. Speaker, it is a pleasure to see you again. Now that you are back in the Chair, I am convinced our debates will be conducted with objectivity and serenity.

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[English]

Mr. Kilger: Mr. Speaker, I rise on a point of order. I would submit to the House that the hon. member for Laurier—Sainte-Marie does not have a point of order. I do not think it is becoming of any parliamentarian to demonstrate any favouritism or otherwise toward any occupant of the Chair. All occupants of the Chair enjoy the same privileges, the same authority, the same courtesies and the same respect from all parliamentarians.

[Translation]

Mr. Duceppe: Mr. Speaker, I did not accuse anyone, I congratulated you.

Mr. Kilger: I take this opportunity to congratulate you, to congratulate the Speaker, Mr. Parent, and all the members of his team.

The Deputy Speaker: It goes without saying that I agree with the opinion that all those who sit in the Chair are equal.

* * *

[English]

EXCISE TAX ACT

The House resumed from December 4 consideration of the motion that Bill C-70, an act to amend the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Act, the Debt Servicing and Reduction Account Act and related acts, be read the second time and referred to a committee; and of the amendment.

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure to speak on this bill today. It includes changes to the Excise Tax Act which would remove the notional input tax credit of the GST from the used good sector.

Prior to April 1993 registered dealers in used goods were eligible to apply for and receive the notional input tax credit. However, the government is choosing to remove that tax credit. That will kill jobs because it will embed the GST into used good services. It hurts those who are most under privileged in our society because it affects used goods and used goods more often than not are purchased by those in the middle class and the lowest socioeconomic classes.

• (1250)

Let us take a broader look at this picture because it has implications in terms of job losses and costs to the consumer. It is really just another tax charged by this government which has claimed repeatedly that it has not raised any new taxes.

We are concerned because this is going to affect between 4 to 6 per cent of our gross domestic product. It is going to affect tens of thousands of individuals who sell used goods. There are 20,000 used car dealers in this country. By removing this notional input tax

credit, the NITC, the people who are selling these used goods are having to embed the cost or pass it on to the consumer. That means either the seller is going to swallow it or more likely the consumer is going to pay. Many used car dealerships function on a very low profit margin.

In effect, the government is increasing taxes. It will cause job losses and push up the cost of living for people, particularly those who are most disadvantaged in our society.

The removal of the NITC is something called tax cascading, something that the government repeatedly said it would not do. Yet once again the government is embedding the GST, that tax that it said it was going to remove, and enshrining it into these goods that affect 6 per cent of our GDP, which is not a small number.

It is illogical for the government to do this in view of its repeated assertions that it would not raise taxes to the consumer.

The number of jobs that will be lost is unknown right now. We imagine that the number will be somewhere in the order of 6 to 8 per cent in the groups which are dealing with used goods. It also encourages the underground economy. Any time taxes are increased the underground economy goes up. In fact, members of the government, including the Minister of Finance, said that the GST is going to increase the underground economy by increasing the cost to the consumer.

All we have to do is go back to our ridings to see that the underground economy is alive and thriving, in large part because the consumer and the producer feel that they are being taxed to the hilt. People are not imagining that they are being taxed to the hilt. The reality is that our taxes are some of the highest in the industrialized world.

As I said before, it is a tax grab. As it is going to affect the used goods market it is going to affect those people who rely on that market. Generally those people are in the lowest socioeconomic classes. We did a few studies in the maritimes. We found that in one business alone the removal of the NITC will cost them nearly \$90,000 which is going to translate into job losses.

This whole concept belies a much more insidious problem and that is the GST. The government came to power on the promise that the GST would be abolished. It staked its reputation on it. The Deputy Prime Minister had to resign over the issue and many other members said that they were going to scrap the GST.

The Minister of Finance said that the goods and services tax is a stupid, inept and incompetent tax. The Prime Minister said that public and private libraries will have to reduce their purchases of books, periodicals and newspapers by about 10 per cent annually because of the GST. The Minister of Labour said the following: "We created a monster. Now we have an underground economy so big that no one can even account for it. It affects people, human beings". While government members were in opposition they

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emphatically stated they were going to remove this tax. Have they? No.

• (1255)

It really grates when the government repeatedly says that it has not increased taxes at all. The facts are that it has increased taxes 22 times since it came to power by embedding taxes such as the removal of the NITC, and by harmonization which I will get to in a moment.

It has also increased gasoline taxes, yet it says to the public: "We have not increased taxes". All one has to do is go to the pumps to find that taxes have increased. The way the government is doing this will hurt those on fixed incomes and those in the lowest socioeconomic groups. When taxes are embedding into goods that are consumed by everybody, everyone is not hurt equally. Those who hurt the most are on fixed incomes with the least flexibility.

Another thing the government did to increase the taxes was the harmonization of taxes in the maritimes. This was a \$1 billion deal subsidized by taxpayers outside of the maritimes. Even within the maritimes there was great rancour over this. It is going to increase the cost to the consumer. This blended sales tax will do the following to business.

The three major retailers in Atlantic Canada do not find this acceptable at all. In fact, they figure that their net annual retail deficit will total \$27 million when harmonization is implemented. That means jobs are lost.

The Retail Council of Canada said that by forcing stores to bury the new tax prices, the harmonized taxes regime will cost retailers at least \$100 million per year. That is absolutely staggering. That is not a benign figure. One hundred million dollars translates into job loss.

Reform came to the House not to merely criticize the government but to put forward good solutions. My colleague for Medicine Hat has done a superb job on finance and has made a number of good suggestions, as has my colleague from Capilano—Howe Sound.

Reform proposes that the GST be lowered and ultimately scrapped after the debt is under control. Reform has put forward a plan to get that debt under control in two years. We are also going to provide tax relief to Canadians. Why? Because money in people's pockets will enable them to take care of themselves. People do not have the money in their pockets today to even provide for their basic needs. That is why we see children going to school hungry. There are people who cannot buy the basic necessities for their families. Given the current tax burden on our society is why companies are unable to hire people.

In 1992 when the Conservative government decreased taxes, income and revenue to the federal coffers actually increased. What

did the government do? The Conservative government of the day went on an orgy of taxation, introduced the GST and then government revenues fell off. That is a real life example that shows that making a tax cut will actually stimulate the economy and will increase moneys in the public coffers. I think that is an important thing to realize.

We have a responsibility to Canadians to provide them with a fair taxation system. My colleagues in the Reform Party have made proposals for a flat tax system that provides for equal taxation to all people, and most importantly it greatly diminishes the taxation on the lowest socioeconomic groups. Those who are poorest in our society will be better off under Reform's financial proposal than they currently are with the government. I encourage the government, in fact implore it, to look at Reform's policies on finance because they are going to save our social programs. It is going to provide more money for the poor and the underprivileged. It is going to stimulate the economy, create jobs and provide a stronger and healthier Canada today and in the future for all Canadians.

• (1300)

Mr. Bob Speller (Haldimand—Norfolk, Lib.): Mr. Speaker, I also want to speak on this motion. It is important for Canadians to know what this motion is about. This motion is essentially a—

Mr. Campbell: Mr. Speaker, I rise on a point of order. I apologize to my hon. colleague. I understood that on resuming debate we were into normal debate followed by questions and comments. Is that what we are doing?

The Deputy Speaker: That is a reasonable question that the parliamentary secretary is putting. The five hours have expired so we are now down to 10-minute speeches and no questions or comments.

Mr. Speller: Mr. Speaker, it is important for all Canadians to understand the motion. We refer to it has a hoist motion, meaning that the member who put this motion forward would like Bill C-70, an act to amend the Excise Tax Act, to be now read a second time this day six months hence. Essentially it would delay the whole issue.

Taxation and excise taxes are things which are very well known in my riding of Haldimand—Norfolk. There are a number of farmers and other people in my riding who contribute to the tax system. Specifically, there are a number of tobacco farmers in my riding. Taxes like the GST and the Excise Tax Act the Minister of Finance has now put on tobacco products affect the people in my riding. I want to talk a little bit about how this happens.

A study was done in my area, called the "Economic Contribution of the Tobacco Industry in the Tobacco Growing Region of Ontario" by Deloitte & Touche. Essentially it was found that in terms of taxation the tobacco industry in the area studied provides \$453 million in income and 70 per cent of that money stays within

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the area and of the 9,423 full time equivalent jobs, 76 per cent of those stay within the study area.

The study comprised an area in my riding in southwestern Ontario. It dealt with the economic contributions of the tobacco industry in that area. It also dealt with the taxation question we are dealing with today. This is an important study. I want to ensure that all Canadians know the importance of this industry in a small concentrated area in rural southwestern Ontario.

My area is also home to the largest native reserve in the country. The whole question of how natives are taxed is always on the lips of Canadians. It is important to know the impact of taxation on the smuggling industry and how smuggling has been cut back as a result of the fact that our government lowered the excise tax on tobacco products some two years ago.

It was interesting to hear some of the comments in the earlier debate. Some comments of Reform Party members cut off debate on that very important issue. I know we are not talking about that debate now, but it is important to note that the Reform Party did cut off debate on that issue.

The issue we are dealing with now is the six month hoist on Bill C-70 which is a GST matter. Those three letters concern a number of Canadians, as does the whole question of excise taxes and taxes specifically in my area on tobacco products. One hundred and fifty-seven million dollars in tax revenues, including GST, come into—

• (1305)

Mr. Hill (Prince George—Peace River): Mr. Speaker, I rise on a point of order.

For those people out in TV land, I would like to clarify what the hon. member is saying. We had a process which unfortunately came a bit unravelled a while ago on Bill C-71, the tobacco bill. In fact it was not the Reform Party that shut down debate. We put forward a motion to allow the question to be put and the Speaker was the one who shut down debate, not the Reform Party. I would like that clarification on the record.

The Deputy Speaker: That will not come out of the hon. member's time.

Mr. Speller: Mr. Speaker, it is interesting to note from the hon. member's comments that the Reform Party which supposedly calls for total debate on these issues put forward a motion to essentially cut off the debate.

Mr. White (Fraser Valley West): Why do you not speak on the merits of an issue?

Mr. Speller: Reform put the motion forward and I think it is shameful.

On Bill C-70 and the hoist motion, it is important to understand what it means for a rural area such as mine. In my area there are a significant number of tobacco farmers. On this whole question of taxation and excise taxes their point of view should be heard, whether or not the Reform Party wants it heard.

Getting back to what I was saying about the importance of taxation, of the GST and the legislation, in my area \$14 million goes to local governments. The whole tax question is important to the local economy. An enormous amount of work has been done by a group in this area. It breaks down specifically some of the percentages of the total effect on employment in the area and the impact of taxes such as these on a farming community like mine.

These farmers were encouraged by previous governments to come to my area of southwestern Ontario to grow tobacco and build communities such as Delhi, Tillsonburg and Aylmer. Throughout this area the tobacco farmers pay taxes. It is important to put their point of view forward here today.

In terms of the legislation the hon. member referred to, I do not think most farmers in my area will have a problem with that bill. Even though it addresses some questions in terms of dealing with how young people get access to tobacco, I do not think it is specifically directed at the tobacco industry. However a taxation bill, an excise tax by the Minister of Finance and the tax he put on tobacco companies will have a direct impact and I will explain how this relates to the House.

In 1994 when we put on the tax the major companies did not take that tax out of their profits. In fact, it came out of the pockets of the farmers in my area. The price the farmers got kept going down as a result of governments applying taxes. I am sure it will be similar in this case also.

Most Canadians, especially the people in my area of Haldimand—Norfolk do not like the idea of more government taxes. It is important for us as a government to put forward programs which do not require more taxation. I congratulate the Minister of Finance for not raising taxes in that regard. It is important for the government to show that it can live within its own means. If we are going to provide services in the country, they should be provided in such a way that they do not add to the debt or the deficit and that the cost does not come out of the pockets of Canadians. The Minister of Finance has done that very well over the last number of years.

• (1310)

We made a promise to Canadians to do something about the GST. Whether or not, as the opposition likes to say, we promised to scrap it or to reform it, one of the most important things we did in bringing in this tax was to ensure that Canadian small businesses were not hurt as they were when Mr. Mulroney and the Conservatives brought in the original tax. The Minister of Finance has made

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over 100 changes which will help small businesses. Canadians especially in the eastern part of the country will be proud of that.

Hopefully one day Ontario will have a system which requires us to pay only one tax so that when people go to the till the tax will not be staring them in the face. That more than anything else will help to turn people's opinions around in terms of what they purchase. Harmonization will help all Canadians.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I am pleased to address Bill C-70, which seeks to amend certain aspects of the GST. My initial reaction when I reviewed this legislation was: "Poor Canadian federalists. The more things change, the more they stay the same".

Over the years, all kinds of programs were created to try to buy peace in some part of Canada, and this is the case once again. Before talking about the unfair benefits and the special status being granted to the Atlantic provinces, we must first pass moral judgment on this government.

For three years now, the government has systematically done the opposite of what it promised. In the case of unemployment insurance, it implemented the reform that the Conservatives had in mind, but only after condemning it throughout the election campaign. As for the GST, it was supposed to disappear. Such was the position of the Liberals, and also one of their major commitments.

Today, three years later, the government comes up with a proposed amendment which, instead of eliminating the GST, makes it even worse. We never promised to kill the GST, because the principle of a tax on goods and services is not necessarily bad, but the Liberals did so when they formed the opposition. During the election campaign, they said the GST was bad and that they would make fundamental changes to it. The Liberals did not fulfil their commitment. This is how governments lose their credibility.

What really gets members from Quebec is this government's double standard. On the one hand, the Government of Quebec has harmonized its provincial sales tax with the GST for a number of years now, and it has done so without asking for compensation, because there was never any talk of any. Plans were made so that it would be done properly, it was and it works.

Suddenly, in the last year, we learned, when all was said and done, that the maritimes were going to be paid \$1 billion to harmonize with the GST. There is no reference to this in the bill, not a trace. But the facts are there. There is the fact that, in a shameless display of window dressing, harmonization with the GST will cost \$1 billion. Is this how the Liberal government is going to try to make Atlantic Canadians forget their anger over

employment insurance reform? I do not think this is the way to go about it.

They had an opportunity to come up with a truly dynamic employment insurance reform that would allow a community to take responsibility for itself, to develop, but they preferred to base their reform on the following principle: "If there are no jobs where you live, you must move somewhere else", rather than the following principle: "The government has a responsibility to ensure that an area's resources are used in the manner most conducive to its development". This principle was ignored in the employment insurance reform and another substituted for it.

But then, with an election looming, we are suddenly hit with the news of this wonderful \$1 billion in compensation. Imagine what this does for competitiveness. It means that Quebecers will pay \$250 million in taxes to help the maritime economy harmonize with the GST. It is completely unacceptable.

• (1315)

It is as though you suddenly decided to pay the heating costs for a third of the town by billing the rest of the inhabitants, but not supplying them with any heat, and using their wood in the bargain. This leads to major problems that are unacceptable.

Perhaps it is a political gift, so that the maritimes will be more receptive to UI reform, but I have to say that \$1 billion in compensation to the maritimes over the next four years is a large amount.

Furthermore, in future, all Canadians will have to pay more in equalization payments to the maritimes. That is why I say that, the more Canadian federalism changes, the more it stays the same. Time and again, we see that it is an uncontrollable beast, which tries to balance things artificially rather than allowing the various components to evolve naturally.

Canada-wide harmonization is not for tomorrow. The proof lies in the way in which each province guards its jurisdiction, the responses from the west. We are facing a situation that will go on for several years. This compensation sets up a double standard in Canada. It is completely unacceptable.

The Liberal government, and particularly candidates in Quebec ridings, will have to answer about this in the next election. They will be asked why they gave \$1 billion in compensation to the maritimes, but nothing to us, who did our work properly. How will they see that we are compensated? There will probably be a number of proposals on the table, but that will not deal with the fact that we have a double standard here.

The procedure being implemented is somewhat insulting to the maritimes, even if they are getting compensation. Ways could be found to improve the economy other than by giving them special

status in this respect, compared with other Canadians. This will make for unfair competition.

Part of my riding is right next door to New Brunswick. Consider the following: we have two regions, Madawaska in New Brunswick and Témiscouata in Quebec, and a decision by the federal government has changed the rules of the game. The same side has all the advantages. The next thing you know, some Quebec federalists will say it is up to the Government of Quebec to deal with the problem. The lack of fairness in federalism is one of the major drawbacks of our system. It may be egalitarian, but it is not fair. The Liberal government will pay the price in the next election.

During the few minutes I have left, I would like to emphasize the positive impact of the battle fought by members of the Bloc Québécois in the last Parliament. I am referring to the members for Richelieu, Lac-Saint-Jean, Saint-Hubert, Longueuil, Hull-Aylmer, Rosemont, Shefford and Laurier—Sainte-Marie. They fought non-stop to remove the GST on books.

Today we see the results, although is a partial, not a complete success. The Bloc Québécois always wanted the tax on books removed altogether and to have the whole book industry exempt from the GST because this has a major cultural impact. We have won at least half the battle.

We fought for this from the very beginning, and now all books purchased by institutions engaged in literacy training, schools and public libraries will be exempt from this tax. This is quite an achievement. Congratulations are in order for the members who worked unceasingly from the word go to obtain this exemption. The government could have gone further by accepting the Bloc's request that books not be taxed. Books are a jewel in the crown of our cultural industry.

This is how Quebecers and Canadians often have a chance to make a name for themselves. It is what gave Quebec and Canadian culture a chance to take its place in the North American market, the world market and the francophonie and do so in a way that is financially profitable.

The battle fought by Bloc members, and there were only eight at the time, has finally produced results. Since we formed the official opposition, we continued the struggle, and now we have won half the battle.

You may rest assured that we will continue our fight to have the tax on books removed altogether, which will have a real impact on the cultural industry, so that our authors will get the recognition they deserve and be proud of what we are doing.

• (1320)

This then, in short, is legislation that exempts certain books from taxation but that creates incredible inequity for Quebec and the

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regions bordering on Quebec, especially as far as the maritimes are concerned. For all these reasons, the Bloc Québécois can never vote in support of this bill as it now stands. It creates two types of citizens, of taxpayers: those who live in the maritimes, who pay less sales tax thanks to the federal government's contribution, and the others. It in fact encourages governments to adopt a certain laissez-faire approach to managing their affairs. It encourages them to say: "We will be able to spend a little more; the federal government will compensate us for it". It is as if the government was trying to use a tax measure to reduce differences in income and in quality of life in Canada. This is not how to go about it.

The way to do it is to establish the principle that we will allow each region to develop its economy to the best of its ability, using its natural and human resources to the fullest, and that Canada's entire political and economic system will be based on that. No problem can be resolved by providing under the table compensation on sales tax. This creates an unnatural situation in the market, which goes against all current economic trends where the thrust is to emphasize the quality of our resources through ability and the possibility of competing on an equal footing.

Now, with the new law, there is no equal footing. The Atlantic provinces are told: "You will have a special advantage". Why do the people in the Atlantic provinces enjoy this advantage, when eastern Quebec, the Gaspé, the Lower St. Lawrence, the North Shore and the other regions of Quebec face the same economic difficulties as the maritimes? Why give Madawaska an advantage and not compensate Quebec in order to give Témiscouata the same advantage? This is unacceptable. This could in fact encourage Quebec consumers to go and buy in the maritimes. I think the federal government is once again not playing fair, to the advantage of the maritime provinces. In the past, it was to Ontario's advantage, particularly in research and development.

For all these reasons, the Bloc Québécois will vote against this bill and will put the following question to all federal Liberal candidates in Quebec in the election campaign: "Do you think it is fair to give the maritimes \$1 billion in compensation for the GST?"

[English]

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, it is a pleasure to be speaking to this bill today on the harmonization of the—

The Deputy Speaker: Order. Actually we are supposed to alternate across the floor. It should be the turn of the hon. member for Lambton—Middlesex. Would the member for Fraser Valley West wait 10 minutes to give his intervention?

Mr. White (Fraser Valley West): I will do a penance of 10 minutes.

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Mr. Silye: A point of order, Mr. Speaker. If the hon. members from the government side are not ready and prepared when they should be, why should we be allowing them to speak? They should wait for us for 10 minutes.

The Deputy Speaker: The hon. member is quite right. I did see the hon. member for Fraser Valley West, but in fairness it was also known to all of us that it should go by rotation and my zeal at seeing the hon. member for Fraser Valley West caused me to recognize him instead of remembering that very important principle of alternates. The hon. member for London—Middlesex.

Mrs. Rose-Marie Ur (Lambton—Middlesex, Lib.): Mr. Speaker, I know it is hard to have peripheral vision but I too was standing when my hon. colleague was standing, and I thank the hon. member for letting me speak.

I do not want to take up valuable House time with further justification of restructured, harmonized federal-provincial sales tax. The facts have been clearly and convincingly addressed by my colleagues regarding Bill C-70.

The HST will eliminate hidden taxes that inflate prices and hurt exports. It is a simpler, more transparent system for consumers and business. An integrated approach makes possible a lower overall sales tax rate.

What I want to focus on today is an aspect of this legislation that has too often been attacked by those who place partisan politics and narrow regionalisms ahead of clear objective thought.

• (1325)

This issue is a decision by the government to provide a formula for short term adjustment assistance to provinces when they face significant structural costs to participate in the new system. Under this system adjustment assistance becomes available to the provinces that experience a revenue shortfall in excess of 5 per cent of their current retail sales tax receipts because they moved to a single harmonized sales tax system.

For qualifying provinces, in this case Newfoundland, New Brunswick and Nova Scotia, the formula means that the federal government will provide full compensation for the revenue shortfall. That is the shortfall over 5 per cent of the current retail sales tax in one year, the same full compensation for the shortfalls in year two, half the amount of the shortfalls in year three, and 25 per cent of the provincial revenue shortfalls in year four.

This is a short term measure designed for the period of significant transition these provinces will be going through. It will end after four years, providing the provinces with sufficient time to adjust to the harmonized system.

It is important to note this is truly a joint program, not a one way gift. Under this formula there is near equal sharing between the

federal government and qualifying provinces of the adjustment costs harmonization will entail over the four years.

Over the four year period the total adjustment assistance under the harmonization agreement with the three Atlantic provinces will be \$960 million. I remind the House of what the finance minister has emphasized. This spending has been incorporated into our financial planning and will not jeopardize the federal deficit targets we have set out.

Some Canadians have asked why provinces cannot phase in full harmonization over several years, thereby eliminating the need for assistance. This approach has been tried in Quebec over the last six years. Unfortunately the result runs counter to making the new simpler for business. While it allows the provinces greater fiscal flexibility, the business community, especially small business, has made it clear that it prefers a one step approach to harmonization rather than the approach taken by Quebec.

The Quebec approach resulted in significant complexity and compliance costs for business. It meant adjusting to a new system and new rates in each of the transition years. This greatly reduced the economic benefits of harmonization for the province as a whole. Because of Quebec's experience the three participating provinces have chosen to move to a single tax system all at once on April 1, 1997.

I am disappointed that some Canadians have attacked the entire concept of this adjustment assistance for a harmonized sales tax. They have a mindset that ignores history, misreads the present and lacks vision for the future.

Canadian history makes clear that government has played an essential role in our economic evolution and adjustments. Some examples of this role are tax and land grant support for the national railway system, negotiation of our Autopact, development of the St. Lawrence Seaway, megaprojects from Lloydminster to Hibernia, special tax conditions for oil and gas, research and development and small businesses. The list is long and honourable.

Many of these government actions and investments respond to opportunities but there is also a long and proud list of federal assistance for sectors and regions that face economic difficulties and dislocations or that must confront core structural change.

Equalization payments are an essential part of our constitutional framework. They recognize that all of Canada is stronger as a society and as a marketplace when we help less affluent provinces provide a basic level of public support and service.

In 1972 when the federal government instituted the income tax reform, every single province received adjustment assistance which totalled more than \$2.7 billion over a seven year period. More recently the federal government has provided assistance to

farmers following the collapse of world grain prices. It is now providing compensation for the elimination of the Crow rate.

We have provided bottom line support for the maritime fishers who were confronted with the tragedy of the decimation of fish stocks. We shared equally in the cost of solving the tobacco smuggling problem in Ontario and Quebec.

These actions were neither charity nor partisan politics. These were actions of fairness, equality and the principles this country was built on. They are an essential reflection of the contract Canadians have struck with themselves, a nation building contract that says a critical role for government is to help when help is truly needed and where it can be truly effective. That takes me to the present.

Today we have to manage the commitment to assistance with more vigour, innovation and insight than ever before.

• (1330)

The world of global competition for trade, for investment, business opportunities and jobs demands that government remain constant and conscientious of the bottom line. A government that squanders resources imposed on the nation, the cost of high deficit, high taxes and high interests, these are job killers, future killers, hope destroyers.

It is this same challenging competitive environment that demands government continue to play a role in helping citizens, sectors and regions to meet their global challenge. It has to be a role in applying methods that work with today's resources in ways that will deliver effective, efficient advantage for future success and economic benefit. That is exactly what the government is doing with adjustment assistance for sales tax harmonization.

As a member from the province of Ontario, I believe it is a shame that the Harris government at Queen's Park has missed this opportunity to get onboard with Canada's harmonized sales tax. Let us not forget that on June 7, 1995 during Ontario's election campaign, Premier Harris said he was prepared to work with the Prime Minister and the Minister of Finance toward a simpler unified tax, that it seems ludicrous to have two different taxes, two bureaucracies to collect it and more paperwork.

Regrettably the Ontario Tories are now arguing that harmonization would shift taxes from businesses to consumers. They have also claimed that adjustment assistance is a bribe to other provinces. As I have just shown, it is nothing of that sort, and indeed Ontario regularly benefits from adjustment assistance of various kinds paid to Ontario such as stabilization payments each year.

The door is still open for Ontario to join this new harmonized federal-provincial sales tax. The advantages for business would be

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tremendous. Ontario is Canada's major manufacturer and exporter and since harmonization means improved competitiveness that means more jobs. I am convinced that no province would benefit more from harmonization than Ontario. The longer Ontario waits to harmonize, the more business and consumer loss will be.

If we work together through the format in the approach our government has set, the result will be a tax system that makes it stronger, that helps deliver more jobs and is fairer to all of us. I support the compensation formula this legislation provides and that is why I urge all hon. members to put aside political grandstanding and join the government in supporting this legislation.

The Deputy Speaker: The hon. member for Fraser Valley West, with apologies to him.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I recall a couple of weeks ago when a similar thing happen to me. The Chair at the time did not afford me the opportunity to speak, but I thought I would not do the same to my Liberal colleague.

Before we get farther down the road on the harmonization of the tax, several comments were made here earlier with regard to Bill C-71 and how that debate was cut off. The fact is my colleague from Macleod basically introduced a motion that the question be put. The intent was that we could be debating one motion and not have an introduction of numerous amendments. It was the Speaker's responsibility at that time to decide whether the debate was to be cut off and go to the question, not the responsibility of my hon. colleague.

The member for Haldimand—Norfolk, who has been complaining about not having representation here in the House because the Reform Party did something, should look toward the Chair for the guidance in future occasions. Far be it from any Liberal here in this House to complain that they have not had the opportunity to speak when, after all, they invoke closure in this House so many times one can hardly recall if it is the race between the Conservatives or the Liberals for cutting off debate in the House of Commons. I think the hon. member should look at that and consider where his own party stands on cutting off debate in this House.

With regard to the GST and the harmonization of the GST in the Atlantic provinces, having spent some time there this year the GST in many cases is really not a concern to many people because there is such an underground economy there, as there is in other places across this country. It is really a moot point at times.

• (1335)

In reading through the papers from Halifax in particular and reading editorials, I found some very realistic comments. I would like to give a few. Nova Scotia finance minister Bill Gillis had no business signing the deal of BST, the blended sales tax. The public

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did not see the details and the MLAs did not debate it. Just like that, it was done overnight behind closed doors.

This is kind of typical. I know the folks in Nova Scotia want the Liberals out and the Conservatives out but they do not know who to bring in because the Conservatives and Liberals in that province have not really served them well, much like the Conservatives and Liberals federally in this country have not served Canadians all that well. If they had we would not have situations like an enormous debt of \$600 million and trying to service that debt with \$47 billion a year, crime that is not being addressed, the situation in the House of Commons where we feel democratic principles are really amiss and even to a large extent not here.

We have to look at the whole issue of taxation, why we are here, how we got here, who got us here and why all of a sudden we are talking about three provinces out of this whole federation which made a deal to blend or to harmonize the GST with the provincial sales taxes.

One has to only look at the type of governments those three provinces have. Surprisingly, if anyone can believe this, they are all Liberal governments. For those at home listening, from British Columbia and other provinces, I truly wonder what my home province would have been sitting on today had that province been Liberal. We should think about that because if that is the kind of provincial representation we get in this country, that we make a deal with the senior party of the Liberals, regardless of the cost to the people in that province, then something is terribly wrong in this land.

I would suggest that the harmonization of the GST is not the problem but a symptom of the problem. It is a deal made at the cost of the people in those provinces because there is an affiliation between the provincial Liberals and federal Liberals that is so strong that it overrides the good of the people. That is wrong.

So they are going to take a combined rate of 18.77 per cent and apply it on a different basis; now the 15 per cent overall tax. They say it is good because it has gone down three percentage points. However, what they did not bother to tell people is that they will be paying it on things that they have never paid it on before.

I know parts of my family in Nova Scotia and parts of my family in Newfoundland are waking up to the same realities. None have a lot of money but they have the same realities that many people in this land are waking up with. It is just another disgusting tax by a government that really does not care. It is cash starved and it is going to get it any way it can.

BST, blended sales tax, HST, harmonized sales tax, GST, PST, ST, S, whatever we want to call these things, the taxpayer is sick and tired and fed up. If there is one thing I can forecast in this country it is that the Liberal government will fall on its inability to understand that people are sick and tired of taxes for the sake of money going to the wrong places in this country.

• (1340)

The real effects of blending the provincial tax and the GST will put people in Atlantic Canada through the blender. That is the problem. They do not seem to understand. That is all right. We will make a change.

The Metropolitan Halifax Chamber of Commerce does not support this without changes.

It is interesting when members opposite say "it is supported, we talked to all kinds of people". I do not recall anybody in my family ever being asked about it. I know for a fact that the provincial government in Nova Scotia did not even debate it. That is kind of sad.

I think of issues like child poverty, which this government expounds on time after time without thinking that if we have child poverty, how did we get there. I will tell the House why we have child poverty in Canada today, poverty of any kind. We got there because of governments' inability to understand that the more they borrow, the more they owe. Over the last 25 years both the federal Conservatives and the federal Liberals have borrowed well beyond their means and ability to pay back. That is why we have poverty in this country.

That is why, rather than looking at cutting back on the GST, they are looking at irresponsible and ridiculous ways to hide it. They are not getting rid of it. Out of sight, out of mind; that is their idea. There is no courage to cut it back.

For all those listening, I sincerely hope they will remember that this is the government which started borrowing. This is the government which is trying to hide the GST. The other government, which is no longer a party, is the government that brought in the GST. Think about that when walking up to the ballot box.

It is time for a big change in this land. The Achilles' heel is here in the GST and in the government's inability to understand that more taxes will mean further debt and less ability to pay.

Mr. Roy Cullen (Etobicoke North, Lib.): Mr. Speaker, I am pleased to speak on Bill C-70.

The hon. member for Fraser Valley West conveniently forgot about the fact that the Atlantic premiers right now are going across Canada telling Canadians that because of the harmonized sales tax they have created a competitive advantage for companies which are located in Atlantic Canada. The harmonized sales tax will reduce or eliminate the embedded provincial sales tax which is already part of the cost structure of companies in provinces other than those which have harmonized their sales tax.

It is curious that the hon. member for Fraser Valley West also ignored that Canadians are saying they want the tax included when

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they go to the cash register. They want it included because they are tired of going to the cash register, having the tax added and not knowing what price they are going to pay. Again the Reform Party is just not listening.

Until now the GST has had a bewildering array of complicated and sometimes contradictory rules for complying with the federal sales tax system in this country. Bill C-70, with its 130 or more amendments to the federal GST, goes a long way toward sorting out the confusion and easing the compliance burden. This bill responds to the views of Canadians across the country. Their message is very simple: Keep it simple and make the rules clear. I am very pleased to support the bill in the House today.

• (1345)

We have already heard why a value added tax is needed in Canada. Again the Atlantic provinces are taking full advantage of harmonizing their sales tax. It is creating a competitive disadvantage for companies in provinces like Ontario and other provinces which have higher costs. Over the medium and long run, companies in provinces that have not harmonized their sales tax will be competitively disadvantaged. I too have some concerns that the GST creates some anxiety for consumers, but in the medium and long run we will be more competitive if we harmonize our tax.

Others have spoken about the efforts made to implement the value added tax to make its rules more fair and simple. I would like to take this a step further by emphasizing some of the specific steps we have taken to clarify the more confusing aspects of the federal sales tax system in Canada. In many respects clarity is the source of simplicity and fairness. Once the rules, procedures and rationale are clear, Canadians will have a better understanding of both how and when the value added tax system applies to them. In the short history of the GST this has not always been the case.

We have heard how confusing the current tax legislation is regarding municipal services, with some services being exempt but similar services being taxable, depending on the circumstances. This situation has led to confusion and a perception of unfairness. By making most municipal services tax exempt, the government will clarify the situation and create a more level playing field. The compliance burden will be eased since municipalities and their appointed bodies will no longer be confused about when and if a service is taxable.

Specifically the situation regarding recyclable products will be cleared up. Under existing legislation there is confusion about the appropriate tax treatment for collecting these products. Are they garbage and therefore tax exempt, or are they not? Bill C-70 clarifies that the collection of recyclable materials and their delivery to a recycling facility is included in the exempting provision for garbage collection.

The treatment of public utilities has also been a source of befuddlement. Under current rules, services provided by a utility to a municipal government are tax exempt if the utility is owned by the government but taxable if it is not. This no longer will be the case.

Bill C-70 stipulates that the sale of gas, electricity, steam or telecommunications services by a public utility will always be taxable, even if the municipality receiving the service owns or controls the utility. This consistency across the board will make complying easier for municipalities. It may not please everybody, but on balance I think it is fair. Those municipalities that have their own utilities hopefully will be provided a transition period so they can provide for these costs in their budgeting procedures in advance.

In telecommunications services, this sector will also benefit from the measures we have taken to clarify the sales tax legislation as it applies to this sector. We will remove the confusion by defining more clearly what a telecommunications service is and when this service is defined as being performed in Canada.

This ease of compliance is reflected in other steps we have taken, steps that apply to the business community as a whole in Canada. We have heard about new rules that simplify the treatment of used goods and employee and shareholder benefits. These rules will benefit consumers and businesses alike.

Businesses will also find it easier to comply due to changes in the way GST registrants report and pay GST on some purchases of real property. Starting in 1997, registrants who have to self assess GST on a taxable purchase of real property that is primarily for commercial use will not have to complete a separate return to report the GST on that transaction. Instead they will report the GST on their normal GST returns. Anything we can do to reduce the paper burden and reduce the complexity for businesses is a very positive step forward.

Similarly this bill will clarify the rules for export services by Canadian services. As the current legislation is structured, Canadian businesses have a hard time determining if services they provide to non-residents qualify for zero rating. This is because the general zero rating provision includes a test that is often difficult to apply. That test asks the question: Where is the service primarily consumed, used or employed?

• (1350)

For example, what is the answer for a collection agency that provides services to a non-resident client? Where are the agent's services being used or consumed by the client? Or training services provided by Canadian businesses to employees in Canada of non-resident businesses. Where are these services consumed or used, inside Canada or outside when the employee returns to work at home? By clarifying when these services qualify for a zero

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rating, we will make it easier for Canadian businesses to comply with the rules for export services.

The amendments we are proposing will also make business in Canada more competitive in both domestic and international markets. I touched on that earlier. While the current legislation does provide a favourable environment for domestic suppliers of goods and services, there is room for improvement.

We propose to make improvements in a number of ways. First services provided by Canadian sales and purchasing representatives through non-resident or foreign businesses will be zero rated. Second, a rebate will be provided for GST charged on installation services supplied in some non-resident businesses. Third, a broader range of goods and services relating to international transportation will be zero rated. Fourth, a zero rating provision for goods delivered abroad will be expanded.

These and other provisions will make Canadian business suppliers more competitive with non-resident suppliers who do not pay GST on their business inputs. These provisions are complemented by the steps we have taken to make Canada a better and more attractive place to do business. For example, we have extended the visitors' GST rebate beyond tourists to include non-resident businesses with employees who travel to Canada. These businesses will now be able to claim a rebate for GST they paid on short term accommodations. While these changes may not ease compliance for businesses directly, they will make the tax easier to bear.

We have taken steps with charities that will simplify the situation for them and also ease the weight of compliance. This is especially true for the smaller registered charities that only have basic accounting systems. For those organizations the current requirement that they apportion inputs between taxable and exempt supplies has proven onerous. It forces them to review all the rules and determine whether each of their activities is taxable or exempt. In some cases the judgment is purely arbitrary. Bill C-70 introduces a new streamlined method for charities to collect and remit tax on their taxable supplies.

We have heard from my hon. colleague about the amendments that apply to education. These changes too are designed to ensure that the GST is clear and less complicated in this area. The changes address inconsistencies in the eligibility criteria that apply to schools, universities and public colleges for claiming rebates. They make the definition of vocational schools more specific to exclude those institutions which do not primarily offer educational training.

It is fair to say that the amendments we are proposing to the value added sales tax system in Canada will make it easier for everyone to comply with their GST obligations. This lack of clarity in the current legislation has been among the biggest complaints from those Canadian citizens who honestly are trying to meet their

sales tax obligations. We have heard these complaints and we have responded by introducing the amendments I have mentioned along with scores of others.

We have designed a sales tax system that is more user friendly, if I may use that term. It is a system that is easier to comply with and at the same time increases compliance and much needed revenues.

[Translation]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, I will speak to Bill C-70, as my colleagues have, but I would like to start by drawing the attention of the House to a number of little problems.

For instance, we find it regrettable that the Minister of Finance tabled these documents less than 24 hours ago. We are talking of a 300-page document. You will understand that, given the importance of the subject, such a document cannot be flipped through any old way.

I would not raise this question, I can assure you, if this were an isolated case. A few weeks ago, however, during the firearms debate, I recall that the minister provided journalists, at noon on the dot, with documents I received only at a quarter to three, and the press conferences took place after question period.

• (1355)

You will understand that, in the public interest, the opposition must be given enough time to read documents in advance so they can react in an informed manner, in order to enrich the debate and to lead to better decision making.

I would also point out that, in connection with the tobacco legislation, the Minister of Health called a press conference last week in the press gallery, and it was only once I was there that I was able to examine the documents the minister was just about to discuss. We are not talking about 24 hours here, or even 2 hours, we are talking about 15 or 20 minutes notice.

One might say that the government has acquired the bad habit of sidestepping debate. Again today, through procedural manoeuvring, a worthwhile discussion was cut short. There are times, mind you, when I wonder what is the use of having a debate in this House. Anyway, I am told this is the best system around. Perhaps, but when this system fails as it did today, it acts as a muzzle and no longer serves public interest, as if that was not already difficult enough.

That is why I felt the need to start my remarks by submitting to you and to this House that acting this way is not in the public interest, and that the official opposition, with all the good will in the world, can only make as useful a contribution as the government will allow it to make by distributing documents in a timely manner. We have to rely on them for that.

That said, Bill C-70 is about the GST, the sacrosanct GST, which, while it was supposed to be abolished, not only still exists, but will now be harmonized. Will it be harmonized harmoniously? That is the question.

The most challenging problem facing us is the fact that the government agreed to pay approximately \$1 billion in compensation to the maritimes if they harmonized their sales taxes. Naturally, this enables them to cut their taxes from 19 to 15 per cent. If I lived in the maritimes, I would probably think this is a great idea. The problem is that, for the time being, Canada includes not only the maritimes, but also Quebec.

And Quebec's contribution to this effort amounts to about \$250 million. A few minutes ago, I heard the Liberal member say that this will give a competitive edge to businesses in the maritimes. It undoubtedly will. But when he said this, he was saying to Quebecers, not to mention Ontarians, that they are taking a loss so people in the maritimes can benefit.

If it were possible to use Quebec and Ontario resources to help other provinces, it would be fine. But Quebec is having financial problems.

Are you asking me to conclude now? Then I will have a few minutes to speak at three o'clock.

The Speaker: Certainly, dear colleague, you will have three or four additional minutes after Oral Question Period. The House will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[English]

INVISIBLE RIBBON CAMPAIGN

Mr. Ronald J. Duhamel (St. Boniface, Lib.): Mr. Speaker, I received a letter recently from two Manitobans who are concerned that Canadians no longer value the military. Like myself, they think that this must not be allowed to continue. As a result of this they have begun the invisible ribbon campaign.

The ribbons, one of which members see me wear, are made out of plastic wrap. This is symbolic of the invisible uniform worn by the partners, spouses and children of military personnel. They are as committed to the military way of life as the personnel who wear the uniform. So too their morale is affected by negative media attention and public opinion.

I urge all members to join me in wearing an invisible ribbon to demonstrate that Canadians do appreciate military personnel and their families.

S. O. 31

• (1400)

This campaign will help reaffirm pride in the military and let military personnel and their families know that Canadians recognize and support their vital contribution to Canada.

Please join with me in urging people across Canada to wear the invisible ribbon. Let's have a visual thumbs up for the military.

[Translation]

Please join me in wearing this ribbon.

* * *

[English]

SOFTWOOD LUMBER

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, the Liberals promised Canadians jobs, jobs, jobs, but what Canadians have received are pink slips, pink slips, pink slips.

Nowhere has this been made more clear than in the chaos created by the Liberal government when it signed the softwood lumber agreement with the United States. This agreement is killing jobs and destroying job security across Canada.

The softwood lumber agreement is problematic for another reason. It replaces an open lumber market with the problems of a marketing board. Already I am hearing stories of lumber quotas being for sale to the highest bidder, while mills are being shut down and employees are being laid off because of a lack of lumber quota.

Will this Liberal government stop micro-managing the lumber industry and do something for the people of one of Canada's largest industries? I challenge the Liberal government to defend the jobs of Canadians against U.S. interests by referring the softwood lumber issue to the World Trade Organization.

People are hurting—

The Speaker: The hon. member for The Battlefords—Meadow Lake.

* * *

CANADIAN AIRLINES

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, we are offended by yesterday's decision by the Minister of Labour to force a vote of CAW members at Canadian Airlines. This is an unprecedented and shocking attack on workers' rights.

At the same time we recognize the minister's attempts to use the Canada Labour Code to protect the bungling of the Minister of Transport, who seems not to understand the real crisis facing Canadian Airlines or has chosen to ignore it.

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New Democrats recognize that the real issue is the stability of the industry which it has demonstrated cannot regulate itself.

We care about the jobs of Canadian Airlines. We care about the future of the industry. However, we are concerned that by focusing only on the concessions being demanded of working people that the job and industrial security we all desire will be lost in the long term.

If the federal government wants to be involved in Canadian Airlines restructuring, it should leave collective bargaining to the affected parties and go to the table with a real package that addresses the real problems of the industry.

* * *

[Translation]

INTERNATIONAL TRADE

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, last week, a NAFTA panel ruled that the Canada's supply system for dairy products, eggs and poultry did not violate the rules of that treaty, nor those of the World Trade Organization. This decision is an important victory for Canada over American claims.

However, we should have no illusion about the spirit that drives our neighbours to the south. Just last week, U.S. farmers asked their government to amend NAFTA if the panel did not rule in their favour.

It is very likely that this lobby will continue to put pressure on the American administration to get the changes it wants. Consequently, the Minister for International Trade must remain firm on this issue.

The Bloc Québécois remembers very well the mess created by this minister regarding the softwood lumber issue. We hope that, this time, the minister will show determination and will protect our fellow citizens.

* * *

[English]

EARTHQUAKE

Mr. Sarkis Assadourian (Don Valley North, Lib.): Mr. Speaker, I rise in the House today to recognize the eighth anniversary of the tragic Armenian earthquake on December 7, 1988. On that day over 25,000 lives were lost and hundreds of thousands of people were left homeless and injured.

The Armenian people will always remember the response of the Canadian government to this horrible tragedy. Over \$6 million in aid was provided by the government to the people of Armenia and an additional \$2.5 million in humanitarian relief was raised by Canadians.

On Sunday I will join Canadians of Armenian origin and Armenians everywhere in church services to mourn the loss of

family members and friends. I urge my fellow members to reflect on this horrible tragedy and join with me in this commemoration.

* * *

COMMUNICATIONS

Mr. George Proud (Hillsborough, Lib.): Mr. Speaker, if you ask Canadians what they associate with Prince Edward Island, many will say Anne of Green Gables. Some might say amazing golf courses and others will say that it is a small, wonderful place to visit.

If I were to be asked the same question I might say call centres. Yes, that is right, I said call centres. We have a highly advanced telephone network.

Listing a few companies that have already set up shop on the island are Cows, Island Tel, the GST Centre, HookUp Communications and Watts Communications.

• (1405)

In fact we foresee such a growth in the industry that Holland College has set up a call centre and customer service excellence program to train call centre workers. The program will be the benchmark for high level training standards in the industry.

The call centre industry will provide year round full time jobs for Islanders. It is an excellent niche that has great potential for employment opportunities. Islanders are taking full advantage of their strength in carving out specialty niches, and eventually they will break the seasonality of the island economy.

* * *

AIR GUNS

Mrs. Bonnie Hickey (St. John's East, Lib.): Mr. Speaker, a 1995 Environics poll estimated that one in seven households in Canada own air guns that shoot BBs or pellets or both. These weapons can penetrate flesh and thin bone at just 348 feet per second.

More than 25 people have been killed by air guns in North America since 1980. Canadian hospitals report a growing number of non-fatal accidents involving such weapons. For example, Amanda Noseworthy of St. John's lost an eye when shot by a young boy who was playing with his rifle in a friend's home. Amanda is now losing the vision in her good eye and may become totally blind.

I have spoken to the federal justice minister on behalf of Amanda and her family and told him I support the inclusion of air guns as a real firearm under the Criminal Code of Canada, and therefore, should be subject to the same controls and safeguards.

Air guns are not toys. They are dangerous weapons that can kill. They must be regulated for the protection and safety of our children.

[Translation]

RÉSEAU DE L'INFORMATION

Mrs. Monique Guay (Laurentides, BQ): Mr. Speaker, last week, the heritage minister was wondering why RDI did not cover an event in which she participated, and which was sponsored by the Fédération des communautés francophones et acadienne du Canada.

The Deputy Prime Minister suggested that RDI did not provide adequate coverage of issues concerning francophones outside Quebec. However, the fact is that RDI gives them long periods of coverage every day. Could it be that the heritage minister does not watch RDI?

The problem with RDI is not that it does not talk about francophones outside Quebec. The problem is that hundreds of French speaking households in English Canada do not get that channel, because the government agreed to make it an optional service for cable operators.

The question is: Does this government truly care about francophones outside Quebec, considering it did not deem appropriate to give them real access to RDI?

* * *

[English]

HOUSEHOLDER SURVEY

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, my fall householder survey is generating hundreds of responses, with 787 so far. I will share the results with the House.

The first question dealt with the Liberal plan for harmonizing the GST with provincial sales taxes. When asked if they would support this in Ontario, 64 per cent said no while only 24 per cent said yes.

When asked if tobacco products should be placed under the Hazardous Products Act to give the government increased power over advertising and chemical contents, 72 per cent of Simcoe Centre voters said yes while 21 per cent said no. When asked if the federal government is justified in spending \$20 million a year on the Canada Information Office, a whopping 90 per cent said no and only 8 per cent said yes.

The message is clear. The government needs to deal seriously with the tobacco issue, forget about a GST harmonization tax grab and stop wasting money on propaganda. When are the Liberals going to get the message? They just don't get it.

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COMMUNICATIONS

Mr. Charles Hubbard (Miramichi, Lib.): Mr. Speaker, the province of New Brunswick and my riding of Miramichi take great pride in our leading role in the field of computer technology and communications.

The premier of New Brunswick, Frank McKenna, together with the New Brunswick Telephone Company and Fundy Cable have co-ordinated their efforts to provide services and opportunities for the people of our province. The New Brunswick Community College, Miramichi, has received national recognition for its leadership in developing programs in multimedia technology, imaging, animation and virtual reality.

There is no secret to New Brunswick's success in attracting leading edge companies and call centres. NB Tel has digital equipment and some of the best fibre optics communications systems in the world. Our province has the economic environment to pursue and attract industries in the 21st century. I would like to inform the House that New Brunswick and the Miramichi are opened for business.

* * *

GUN CONTROL

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Mr. Speaker, tomorrow is the national day of remembrance and action on violence against women. It is also the seventh anniversary of the massacre of 14 women at the École Polytechnique in Montreal. On that occasion, Marc Lepine, a deranged young man without a criminal record, not a professional criminal, was able to obtain a semi-automatic rifle and kill these innocent women. He was able to do this because there were gaps, weaknesses in our gun laws.

● (1410)

Parliament has now closed these gaps and tightened the law, but the provinces of Alberta, Ontario, Manitoba and Saskatchewan are contesting this law in court, supported by the Conservative and Reform parties.

This law may not be perfect, but whenever access to guns is limited, the rate of crime with guns is reduced. The charge that guns do not kill, people kill, is ludicrous. It is much easier and effective to kill with a gun.

With more restrictions on guns there would be fewer homicides. Canadians should send a message to their provincial governments on this issue.

* * *

VIOLENCE AGAINST WOMEN

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton, Lib.): Mr. Speaker, on December 6, 1989, 14 young women were killed in Montreal. Today I wish to reflect on the struggles of all women affected by violence.

S. O. 31

December 6 is Canada's national day of remembrance and action on violence against women. Violence against women has serious economic, health and social costs attached to it for individuals, families and society.

The Government of Canada is committed to working to eliminate violence against women. Everyone in society must become more involved, be it in their homes or communities in the fight against women's inequality. Violence against women is clearly a direct result of women's inequality in society.

* * *

STATUS OF WOMEN

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, yesterday two members from the other side attempted to justify the government's status of women portfolio.

The member for Halifax mentioned the department's commitment to women's health. But at the recent Canada-U.S. health forum, Canadian breast cancer advocates found themselves unaware of the conference's objectives and were shocked to discover their American counterparts had not even been invited.

The member for Halifax also spoke of the role status of women played at the UN Conference on Women in Beijing. What she did not mention was Canada's support for the marginalization of many Canadian women in order to advance its narrow agenda.

The official Canadian facilitating committee report classified the Vatican, pro-life groups and REAL Woman as fundamentalist groups and went on to say that: "Constant criticism of fundamentalist discourses is a collective responsibility because they endanger the rights of women all over the world".

I would like to know if the Secretary of State for the Status of Women, while standing on Canadian soil in front of Canadian citizens, including her own constituents, will defend this statement.

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[*Translation*]**NATASHQUAN**

Mr. Bernard St-Laurent (Manicouagan, BQ): Mr. Speaker, next Saturday, December 7, an extraordinary event will take place in my constituency, when the highway between Havre-Saint-Pierre and Natashquan will be officially opened. After several years of hard work by the offices of both politicians and local administrators, the communities of Baie-Johan-Beetz, Aqanish, Pointe-Parant and Natashquan will finally be linked to the rest of the North American road system.

The poet, songwriter and singer Gilles Vigneault, who made this small area of our country famous, will honour us with his presence.

Natashquan is now a tourist destination accessible to everyone. With its breathtaking scenery and the warm hospitality of its residents, the region is now ready to share its beauty and its treasures with the rest of the world.

Everyone is welcome.

* * *

ECOLE POLYTECHNIQUE

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, December 6 always reminds us of the 14 young women who were robbed of their future and brutally killed at the Ecole Polytechnique on this day seven years ago.

[*English*]

This tragic incident will serve as a constant reminder of the violence that is inflicted on women. In order to ensure safe homes and safe streets for all Canadians, and in particular women, the government has passed important legislation on issues like gun control, high risk offenders and other amendments to the Criminal Code.

But we need to do more if we are to honour their memory and eradicate violence against women.

[*Translation*]

May their deaths not have been in vain. Let us get to the roots of the problem of violence against women, first by increasing our social education efforts and by constantly promoting fundamental values, like respect and tolerance.

I encourage all my colleagues in this House to light a candle tomorrow in memory of the young victims of the massacre at the Ecole Polytechnique.

* * *

● (1415)

[*English*]**VIOLENCE AGAINST WOMEN**

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, I rise in the House today to pay tribute to those 14 young women who died tragically seven years ago at École Polytechnique in Montreal.

This day reminds us that we must continue to take action to eliminate violence against women in all its forms in all of society.

Statistics show that 51 per cent of Canadian women have experienced at least one incident of physical or sexual violence since the age of 16. We must remember that all violence is an assault on the sanctity of human life. Violence against women not only violates the body, it robs women of their dignity and scars their souls.

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That is why the government has worked extremely hard in the past three years to introduce measures that address not only violence against women but violence against all persons.

Still, there is more work to do and we must all work together, in government, in communities and in homes across this country to ensure that women, men and children are truly free from the threat and fear of violence in Canadian society.

ORAL QUESTION PERIOD

[*Translation*]

EMPLOYMENT INSURANCE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday we realized that the Minister of Human Resources Development excelled in French composition, seemed to revel in discussing the philosophy of social reforms but had trouble answering specific questions. He seemed to have a poor grasp of his subject. Today, since people are interested in philosophy but also in their immediate future, I want to ask him a very simple question.

There are people who had weeks of insurable employment in 1996. I would like to ask him how these weeks of insurable employment, which made them eligible for benefits, will be converted into hours so they can qualify for benefits as of January 5? On what basis will these weeks be converted? This is a very simple question. I expect an answer, and easy on the philosophy.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the Canadian public is also interested in the quality of a reform, in the spirit behind it, in modernizing a system that has become obsolete. I am always very grateful to the Bloc for giving me a chance to talk about this excellent employment insurance system.

To answer the hon. member's question, this was in the legislation from the very beginning. In the case of any person who worked a certain number of weeks during the last 26 weeks of 1996, each week will be deemed to have been a 35-hour week.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): That took some doing. Mr. Speaker, I imagine the minister consulted one of his officials who has a good head on his shoulders, and there are always a few. However, I have a problem for him, since he is in an answering mood today.

A person who, for instance, worked eighteen 40-hour weeks qualifies for benefits, not only under the former legislation, but also under the legislation that will come into effect. So if a week is supposed to be worth 35 hours, does this mean that under the new

standards, this person will not be able to receive benefits? I would appreciate an answer.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the reform will encourage this person to go on working a little longer in order to have the number of hours required. In the case of a new entry, provided the number of hours totals 420, that person will be covered or, in the case of re-entry, eighteen 35-hour weeks will bring him to the 420-hour threshold.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Things are getting better all the time, Mr. Speaker. I think we have got the minister into the habit of consulting his officials. Obviously he had not done so yesterday. Maybe on our third try, we will get a third answer.

Yesterday the minister referred to a father in East Montreal who had three jobs, in each of which he worked a 14-hour week, and who will now be covered under the new standards.

• (1420)

However, I have the following question. Since according to one of the standards under the new system, someone who quits his job loses all his privileges, will this father from East Montreal, if he quits one of his jobs, meaning he would no longer work 42 hours but 28, qualify for unemployment insurance, and I will let the minister consult his parliamentary secretary who seems to have all the answers.

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, this employment insurance reform makes it far more attractive to go back to work, compared with the old system which the opposition is so keen on preserving, an opposition that voted against coverage for part time workers, an opposition that voted against modernizing a system to adjust it to the modern labour market. I think that is entirely unacceptable.

Under the new system, the same presumptions will apply, that is, someone who quits his job for no valid reason is not insured, but if someone quits his job for a valid reason, a decision is made on a case by case basis. We can then determine whether he qualifies for benefits.

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

I would start off by saying that our laughter is not because there is anything funny. For more than three weeks now we have been asking questions of the minister and he has been responding like someone who was not familiar with the issues—and, indeed, he is not. We are delighted to have played a part, on behalf of all Canadians and Quebecers, in getting him to consult others.

Can we be sure, then, that the minister will be in agreement with the recommendations of the employment insurance commission,

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which, contrary to what he says, have not been adopted, and are on the agenda of the employment insurance commission?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, this opposition provides me with one surprise after another. These things are part of the reform as soon as they are in the act, so I cannot understand why suddenly, three weeks later, they wake up and notice a subject that has been very widely covered, as they well know.

On this matter, I can assure you that the minister is totally in agreement with this interpretation, and we shall be on the workers' side. Each of the weeks worked in the last 26 weeks of the year 1996 will be deemed to have been 35 hours in length. We are giving them the benefit of the doubt, taking the workers' side.

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, here we are with one surprise after another for, in reality, everyone in the employment centres is waiting for the decision to be made. What was set out in the act was for there to be transitional arrangements, and we have been calling for these for weeks, so there is no reason to make fun of us.

My question to the minister is this: In these transitional measures, will someone who has worked more than 35 hours, say 40 hours, in 1996 be credited for 40 hours weekly, or for a maximum of 35?

Hon. Pierre S. Pettigrew (Minister of Human Resources Development, Lib.): Mr. Speaker, the weeks worked in 1996 will be deemed to have been 35-hour weeks. Starting January 5, 1997, we start with the new system, which is in the workers' best interests. It will cover a potential 500,000 additional workers not covered at present. The hours-based system starts on January 5, 1997, and this is a system the opposition voted against.

* * *

[English]

KREVER INQUIRY

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, the Prime Minister claimed yesterday in question period that the laws of the land prevent him from releasing documents to Justice Krever. That is simply not the case. The office of the information commissioner says that the Canada Evidence Act does not stand in the Prime Minister's way.

Michael Pitfield, a former clerk of the privy council, says that the cabinet can release whatever it wants to release.

• (1425)

Perhaps I will ask the Minister of Health. Why is the Prime Minister choosing not to release these 30 documents that Justice Krever is asking for?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, it is my understanding that there is a constitutional convention that a current government does not have access to nor does it release the cabinet confidences of a previous government. This is a well established practice and therefore a convention in the Canadian system of parliamentary government. It is also well established in other countries with similar systems of parliamentary government.

In that sense what the Prime Minister is talking about is part of our law. This convention is specifically backed up by section 39 of the Canada Evidence Act. Therefore what the Prime Minister said is quite consistent with our system of parliamentary government.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, it is fine for the minister to hide behind that, but I think the evidence shows frankly that this is discretionary in that the Prime Minister can do that if he chooses to do.

This looks weak. This looks like flimsy excuses. It looks like nothing more than a cover-up. There are people dying because of this and we need to get to the bottom of it. The only thing that stands in the way of Krever's quest for truth is the Prime Minister and the Prime Minister alone. He has the power to release the documents. He has the power to explain why legislation was shelved under the leadership of Mr. Turner and Mr. Mulroney in 1984.

Again, what is this Prime Minister trying to hide? Why will he not simply do the right thing and the honourable thing and let these documents be released to Justice Krever so he can do his work and get to the bottom of this?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I categorically reject the unwarranted assertion that the Prime Minister is hiding something that he should be releasing. I want to further say, and I can be corrected if I am wrong, that the Deputy Prime Minister said she had been informed that none of the documents sought by Mr. Justice Krever were produced during the government of the Right Hon. John Turner.

The Prime Minister is in fact doing the right thing. He is following and acceding to the constitutional convention which is part of our parliamentary government that a current government does not have access to the confidences of a previous government nor does it release such confidences.

The hon. member, as in so many other instances where she has been wrong, is wrong on this one.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, it is easy for the minister to say that he categorically rejects my argument here, but frankly there are thousands of people in this country who have been infected with hepatitis C or have died from

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AIDS who categorically reject this kind of nonsense from this government.

Justice Krever and the victims of tainted blood do not have time for the Prime Minister and this minister to keep waffling on this issue. Michael Pitfield, a former clerk of the privy council, said: "The government that wants to is the government that can".

For some unknown reason, the Prime Minister and his government are lacking the political will to help these 15,000 victims discover why the blood supply and the federal government have failed them for years and years.

I ask the minister once again, let us not play games here. This is far larger than a political or a partisan issue. Will the government release the documents to Justice Krever so that this full inquiry is something more than a sham? Let us get to the bottom of it. Release the documents.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I am advised that the only exception to the convention I have mentioned is where specific criminal charges have actually been laid against a minister or a former minister.

I want to further say that it is my understanding that Mr. Justice Krever has other means to get at the information by summoning before him previous ministers.

Miss Grey: They refuse to go.

Mr. Gray: The hon. member says previous ministers refuse to go. I am advised that Mr. Justice Krever has the power of subpoena and if he wishes to use it then he is in a position to question former ministers. The only thing wrong here is my hon. friend's attempt to exploit this tragic issue in a way which is not founded on convention or the facts.

* * *

[Translation]

TAXATION

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, on Tuesday, in response to a question on the possibility of a family trust being transferred abroad without payment of capital gains tax and without interest on tax owing, the Minister of Finance declared in the House, and I quote: "The Bloc Quebecois critic is wrong. As soon as taxes are due they have to be paid. If they are not paid, interest will be charged".

• (1430)

My question is for the Minister of Finance. Does the minister still hold to his Tuesday version of the facts, that a millionaire transferring a family trust abroad must pay taxes to Revenue Canada and interest owing on unpaid taxes?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, I repeat what I said last week. When taxes are due, they must be paid. If, for one reason or another, a tax due is not paid and the tax is duly levied, interest accumulates.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, we have a problem. We have a Minister of Human Resources who does not know his business, a Deputy Prime Minister brandishing flags at all and sundry and a Minister of Finance who is uninformed about the tax system he claims to manage.

In the technical document he tabled with his ways and means motion on October 2, he said that when a family trust is transferred abroad, and I quote: "The person transferring must provide Revenue Canada with a guarantee of future payment without interest costs".

He says there are interest costs, and his document says there are none. We just do not understand this government any more.

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, unfortunately it is the member opposite who does not understand the tax system.

The change we made to the system means that, when someone leaves the country, it is quite likely the tax is not due, since the item in question was never sold; so there is no capital gains tax. We want to be sure that, when the item or shares are sold, the tax will be paid by someone who is now a non-resident. So we insist on a debenture.

Unfortunately, the situation is clear enough for the member to perhaps have some difficulty understanding it.

* * *

[English]

KREVER INQUIRY

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the Deputy Prime Minister has said very clearly that no documents that are being hidden from the Krever commission came from the administration of John Turner. That means she knows, the Prime Minister knows and the cabinet knows where those documents came from.

I would like to ask the solicitor general, very plainly, could he state for this House that these documents did not come from the administration of Pierre Elliott Trudeau?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I was simply repeating to the House my recollection of what the Deputy Prime Minister had said as to what she had been informed by the clerk of the privy council. I have no further information that I can convey to the hon. member.

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If he would like to specifically indicate what documents he is talking about, if he has any such knowledge, I will see if I can obtain further information on a proper basis for him.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the excuses continue.

It is interesting that the cabinet has called these documents draft regulations, every one of them. It is also interesting that the draft regulations were given to Krever. In fact, I happen to have those draft regulations with me today.

I ask again, since these regulations are not draft regulations that they are hiding, exactly what documents are they? I ask again, did they come from the administration of Pierre Elliott Trudeau?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I see no way to answer my hon. friend's question unless he precisely identifies the documents he is talking about. If he is talking about documents of which he has a copy, which he said Mr. Justice Krever already has, why is he wasting the time of the House asking his question?

* * *

[Translation]

CREDIT CARDS

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, my question is directed to the Minister of Industry.

We have learned that a record number of people in Canada and in Quebec are experiencing financial difficulties and are being forced to dip into their registered retirement savings plans. At the same time, banks and major department stores are charging exorbitant interest rates on their credit cards and the government is refusing to assume its responsibilities with respect to this issue of public concern.

Does the Minister of Industry realize that the low interest rate cards being touted by the secretary of state the day before yesterday are available only to clients who are well off financially, and that it is those in the middle class who are paying for others through the elevated rates still in effect on regular cards?

• (1435)

[English]

Mr. Morris Bodnar (Parliamentary Secretary to Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the whole matter of credit cards is one of the market dealing with matters. When there are lower interest rate cards which are available to some, others can be cut out who may want cards and who are eligible now for the higher rates.

It is a matter of the marketplace taking care of the situation as it exists at the present time.

[Translation]

Mr. Pierre de Savoye (Portneuf, BQ): Mr. Speaker, an Industry Canada report that came out last September stated that interest rates charged credit card holders are still too high, given the fall in the Bank of Canada rate. The Minister of Industry himself said at that time, and I quote: "The president of the Bankers' Association does not perhaps understand that consumers are fed up".

How can the Minister of Industry take the completely unacceptable approach of doing nothing, while interest rates are dropping everywhere but on credit cards? Why does the minister not join the coalition of 150 MPs who are trying to improve the situation for the average member of the public?

[English]

Mr. Morris Bodnar (Parliamentary Secretary to Minister of Industry, Minister for the Atlantic Canada Opportunities Agency and Minister of Western Economic Diversification, Lib.): Mr. Speaker, it is interesting that the minister has always taken the position that he encourages banks to reduce credit card interest rates. In dealing with a group who had signed the requests, he was certainly supportive of the group in dealing with the high interest rates that are being referred to.

Again, there must be encouragement by the public to the banks to reduce the rates. This can be done in many different ways. One way is by not utilizing the cards and another way is by applying for the lower interest rate cards.

* * *

CANADA PENSION PLAN

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, today six working people pay taxes to support one pensioner. Twenty years from now there will be only three. Their CPP taxes will be double and on top of that they will have to pay interest on the \$600 billion debt the Liberals are leaving them. Reform of CPP must come soon to prevent serious intergenerational conflicts.

Will the minister break the log jam preventing agreement with the provinces on CPP by agreeing to match increases on CPP premiums with long overdue decreases in EI premiums?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, there is no linkage between CPP premiums and EI premiums any more than there is between CPP premiums and other payroll taxes such as imposed by the provinces, workers compensation, health or education levies. In fact, each has to stand on its own feet.

The member's question is very pertinent. One would really hope that the joint stewardship of the CPP between the federal government and the provincial and territorial governments will lead all

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parties to deal with the immediate need for financial stability of the plan.

I am, I must say, quite optimistic that we will arrive at a solution. I would prefer to have done it by January 1. We may go beyond that but I believe there is goodwill on all sides to arrive at a solution.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, a poll confirmed what financial institutions have known for some time. Canadians are cutting back on their RRSP contributions. They just do not have the money after the Liberal policies reduced after tax family income by \$3,000 on average.

Will the minister help Canadians by giving them tax relief in the next budget, financing it by more spending reductions and giving Canadians the smaller federal government they want?

• (1440)

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, as the hon. member knows, we have brought in selective tax benefits for Canadians in all of our budgets and we intend to continue in that vein.

The hon. member put his finger on it when he said that if there are going to be further tax cuts they will have to be accompanied by cuts in social spending. I congratulate the Reform Party for at least having outlined those areas where it believes ongoing cuts in spending should be made. I encourage the Reform Party to speak to their other extreme right wing cousins, those in the Conservative Party, and ask them to outline where they would make the cuts.

* * *

[*Translation*]

LISTS OF VOTERS

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, my question is for the government House leader.

Amendments to the Canada Elections Act proposed by the government allow the chief electoral officer to use only the Quebec civil register and Quebec driver's licence information to establish the list of electors for the next federal general election.

In view of the representations made by the official opposition as well as by the Quebec government and Quebec's chief electoral officer, is the minister now ready to reconsider his position and to allow the use of the permanent list of electors established by the Quebec government?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I would be happy to examine the representations made by Quebec's chief electoral officer, but the bill is now being considered in the

Senate. Therefore, I cannot give a more detailed answer at this time.

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, the government has a choice: since it controls at least half of the other place, it could act immediately by having Bill C-63 amended, or it could do so in this House.

Since we know that taxpayers in Quebec and Canada would save at least \$15 million if Elections Canada used Quebec's permanent list of electors, why are the government and Elections Canada still refusing to use that list?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I think this House passed an amendment regarding the use of Quebec's and other provinces' lists of electors.

As I just said, the bill is in the other place. I do not think it would be wise for me to comment on what goes on in the other place. Again, I will consider the representations made by my hon. friend and by Quebec's chief electoral officer.

* * *

[*English*]

CHALK RIVER NUCLEAR SITE

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, my question is for the Minister of Natural Resources.

It was reported in 1994 that radioactive waste dumped nearly 50 years ago at the Chalk River nuclear site is polluting local vegetation, swamps, lakes and wildlife. This waste is now seeping into the Ottawa River and is posing a possible health risk to area residents.

What is the minister doing to stop this leakage immediately and to ensure the future safety of our natural resources and human health?

Hon. Anne McLellan (Minister of Natural Resources, Lib.): Mr. Speaker, first I want to reassure the hon. member and those who live in Chalk River and along the Ottawa River in relation to the story that appeared today in the Ottawa *Citizen*, the leak in question was reported to the AECB some number of years ago. Since that time the AECB has been monitoring the situation and taking whatever steps that have been necessary.

I want to reassure the member that the atomic energy board has stated that the leak in question presents no threat to the public or to the public health. The level of contamination is well below limits set by the AECB in relation to health and safety.

I also want to reassure members of the House that this leak is not from radioactive waste streams. The leak comes from water from

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the bays in which the used fuel from the reactors is stored. It is important to reassure people that we are not talking about radioactive waste in this context.

* * *

• (1445)

TAXATION

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, I must say in response to the previous question to the finance minister that an extremist is anyone who happens to be winning an argument with the Liberals.

The Certified General Accountants have produced a study that confirms what Reformers have been saying all along, that lower taxes create jobs, real permanent jobs, not the McJobs that the infrastructure program allegedly created. The CGA say a \$4 billion personal income tax will create 108,000 new jobs by the year 2001.

Given the overwhelming evidence that lower taxes create jobs, will the finance minister agree to start lowering taxes so that Canadians can have those jobs that they really do deserve?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, under those circumstances it is quite clear that I will have to change my definition of an extremist.

Whether it be a \$4 billion tax cut or whether it be as the Reform has suggested a \$15 billion to \$20 billion tax cut, the fact is that one has to pay for it. The issue is not whether one would like to see a tax cut. There is nobody in this House who would not like to see a tax cut. The question is: What programs would have to be cut, would have to be given up, in order to pay for that tax cut?

The government is not prepared to see health care impaired. The government is not prepared to see old age pensions impaired. This government is going to stand behind the basic social fabric of the nation and under those circumstances, we will stay the course.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the fact is that Reform would put more money into health care. We would fix the programs that the government has destroyed, the \$7.2 billion in cuts to transfers. Reformers believe by the way that real compassion is not putting money into welfare; it is getting more people off welfare.

The CGA says the 20 per cent reduction in UI taxes would create 68,000 jobs by the year 2001. As a matter of fact, the Reform plan calls for a 28 per cent cut in UI premiums. Imagine how many more jobs that would create. Today the Liberals on the finance committee are saying that UI taxes cannot be lowered. Will the finance minister ignore the recommendation of the finance committee and lower payroll taxes to create the jobs that Canadians so desperately want?

Hon. Paul Martin (Minister of Finance, Lib.): Mr. Speaker, dealing with the last part of the member's question, I would like to

thank all members of the finance committee for the report which came out today. I say to the chairman and the members who wrote the majority report, it appears to be a very good document, very constructive and worthwhile.

[Translation]

Although I have not had the opportunity to read the minority reports in full, I would like to mention to the Bloc finance critic that—

[English]

I would like to thank the financial critics from the Reform Party. I am sure the work they have done will be of the same quality as in the past.

The hon. member said that the Reform Party does not intend to cut health transfers. Let me simply—

Some hon. members: Oh, oh.

The Speaker: We will call you offside for using a prop. The hon. member for Bourassa.

* * *

[Translation]

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, my question is for the immigration minister.

At its last convention, the Liberal Party of Canada passed a resolution calling for the lowering or the outright elimination of the \$975 head tax immigrants must pay when they apply for residence in Canada. This tax which is particularly outrageous, unfair and discriminatory for refugees comes on top of the \$500 processing fee for each application.

• (1450)

Can the minister tell us whether she intends to comply with the request put by members of her party and what exactly she is considering doing in response to their demand?

Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I believe I have a better knowledge of my party's resolutions than the member for Bourassa. I was at the convention when this resolution was passed. Clearly, my department will follow through with it.

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, I believe the minister is not a loyal member of the Liberal Party since she has no intention of complying with her party's resolutions.

The vast majority of people working for agencies involved with assisting immigrants, labour unions, a number of community groups, the Bloc Quebecois and now members of her own party are asking her to change the rules. What more does the minister need to take action?

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Hon. Lucienne Robillard (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I would invite the member for Bourassa who is questioning my loyalty to my party to come and join our ranks. The least we can say is that the House is not unanimous on this issue.

I say again that we are going to look into it very seriously.

* * *

[English]

PEARSON INTERNATIONAL AIRPORT

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, Liberals and airports are like drinking and driving: they should not be mixed and if they are, the consequences can be horrendous.

First Mirabel, now Pearson. Mirabel cost taxpayers billions. Unbelievably we are heading in the same direction with Pearson. Taxpayers may have to pay \$662 million in compensation to the former developers of Pearson. The government has been found at fault but has been stalling settlement since February.

Will the government commit to settling with the Pearson Development Corporation before the next election so the voters will have a clear picture of this whole sorry mess?

Hon. David Anderson (Minister of Transport, Lib.): Mr. Speaker, the transfer of Pearson to the local authority, the Greater Toronto Airport Authority, took place on December 2 and was very successful. I am delighted that we now have Pearson in the hands of local people from the greater Toronto area who represent all facets of the municipalities and the people involved in operating the airport and using it. They will be able to exploit all the advantages for Pearson.

We want Pearson to be the premier airport to the east of the Mississippi, the central point for connections from Europe and that entire region of North America. To achieve this, approximately \$2 billion of expenditures and upgrading at Pearson airport are needed over the next few years. I am confident that the new administration we have put in place at Pearson and the transfer of the airport to that new authority will result in Pearson taking its rightful place as the gateway to Europe for all that part of North America.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, I never did find out about the \$662 million.

Since the new corporation was introduced, the new Pearson airport authority has indicated that it will cost \$2.5 billion to redo Pearson. It has ruled out user fees to pay for that. It claims that the \$2.5 billion can be raised solely from bonds, increased volume, and—wait for it—restaurant fees.

Has the government studied the Pearson authority financial plan? Will it assure this House that the taxpayers will not pay one cent for the renovations at Pearson airport?

Hon. David Anderson (Minister of Transport, Lib.): Mr. Speaker, the hon. member started off by making references to drinking. When he talks about \$662 million to be paid by the people of Canada to buy out mythical profits of a Tory corporation, perhaps he is in the area where something is affecting his judgment.

● (1455)

Let me now go to the issue of fees at airports. Vancouver International Airport, our newest airport, is occupying the same relative position for Asia which I hope Pearson will be in for Europe. Forty-two per cent of the revenues of that airport come from the stores and restaurants which are operating on airport property. It is that which provides a great impetus and money so that it is not necessary to have large increases in landing fees.

I admit to the hon. member that in Vancouver the local authority in its wisdom saw the need to put on a departure tax which ranges from \$5 to \$15. The local authority in Toronto in its wisdom is choosing a different financial formula. That is what I mean by using local people's knowledge and initiative and local people's entrepreneurship to make the local decisions which suit local conditions.

* * *

TRADE

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, my question is for the Minister for International Trade. It concerns the recent trade agreement with Chile.

Members of the aquaculture industry are concerned that a subsequent NAFTA agreement will allow low cost Chilean aquaculture salmon products into Canada and the U.S. due to Chile's low hourly wages and virtually no environmental standards requirements.

Can the minister ensure Canada's aquaculture industry a level playing field in Canada's agreement with Chile and in any subsequent NAFTA agreements?

Mr. Ron MacDonald (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, in reply to the member's question, I wish to say that there is no history of dumping measures between Canada and Chile. We are not aware of any evidence of the dumping of salmon by Chile into Canada. As the member knows, Canadian imports of salmon have been duty free for a number of years.

I wish to assure the member that if there is evidence of dumping we will use the appropriate mechanisms in the agreement to seek a proper remedy, up to and including countervail duties which are still permitted under the agreement.

Oral Questions

[Translation]

ZAIRE

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs.

One week after it was announced that a consensus had been reached among 20 countries on the disputed food drop mission over eastern Zaire, the multinational force has not been given the green light yet to help some 300,000 refugees who are still stuck in that area.

We were also informed this morning that a political meeting would be held this weekend to set the date for the operation to begin.

Since the situation over there is not getting any better with the new offensive by the rebels and the incursions of the Ugandan Army into the Zairian territory, which makes the dispatching of assistance even more tricky, what does the minister now intend to do to ensure that the humanitarian assistance can be delivered efficiently?

Hon. Lloyd Axworthy (Minister of Foreign Affairs, Lib.): Mr. Speaker, first of all, we must distinguish between the two aspects of the problem: the humanitarian dimension and the presence of serious political turbulence in the area.

The mandate of the multilateral forces is limited to delivering humanitarian assistance and, as you know, we have taken several initiatives. General Baril has developed an action plan with the help of our partners. We have supported the refugees.

Yesterday, I attended a meeting with Sadako Ogata, the High Commissioner for Refugees. We discussed how the multilateral forces and the partners could work together with the United Nations and other organizations to ensure the refugees' safety.

If it is very important to ensure now that the mandate is still to protect the refugees, but we must also encourage the movement of refugees in order to solve the problem.

* * *

[English]

HEALTH CARE

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, at the Liberal convention in October the Minister of Health said that the problems with our health care system have nothing to do with money and that better management is the answer.

● (1500)

In British Columbia hospitals, patients are being fed by volunteers because of cuts to nursing staff. Sick patients are being dumped out to home care and home care budgets are frozen.

We are going to put in \$4 billion to restore health care funding. What is the minister going to do to ensure that these essential health care services will be funded properly?

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, the hon. member has made reference to statements I made at a convention of our party. I wish to share with the hon. member some statements: "Saskatchewan has a stronger health system today than it did four years ago. The provincial health spending has stabilized and better health services are now being provided". This was from the provincial minister of health in Saskatchewan.

In the province of Quebec, Mr. Rochon said on May 28, 1996 in the *Medical Post*: "Less money can be devoted to health care while maintaining the same level of population health". Dr. Rochon set a target of 8.5 per cent of gross domestic product as the level that Quebec's health care expenditures should not exceed. "We can devote less money to that sector while maintaining accessibility of care in the level of the health of the population".

These are provincial ministers of health who have the direct responsibility to deliver health care. It is not the Reform Party that should stand in this House and condemn provincial governments for the hard work they are trying to do to protect and enhance the health of Canadians. Shame on the Reform Party.

* * *

VETERANS AFFAIRS

Mrs. Jan Brown (Calgary Southeast, Ind.): Mr. Speaker, I am appealing to the Secretary of State for Veterans to replace two memorial cross medals received posthumously during the second world war. The original medals were stolen in 1988 and the Will family in my riding is seeking to replace them.

I ask the Secretary of State for Veterans to demonstrate compassion for this family, to do the right thing and replace these medals given in recognition for two brothers who died on the European front in World War II. Will he do so?

Hon. Lawrence MacAulay (Secretary of State (Veterans)(Atlantic Canada Opportunities Agency), Lib.): Mr. Speaker, I would like to get the details from the hon. member. If it is possible, I will see that the medals are returned to the family.

CANADIAN AIRLINES

Mr. John Nunziata (York South—Weston, Lib.): Mr. Speaker, my question relates to the plight of Canadian Airlines.

Yesterday the Royal Bank announced record profits of close to \$1.5 billion, the largest profit of any corporation in Canadian corporate history. The Royal Bank is also Canadian Airlines' lead banker. It has literally made tens of millions of dollars from Canadian Airlines.

Why are the workers at Canadian now being asked to kick in \$15 to \$20 a week? Can the government indicate what sacrifices the Royal Bank of Canada is making? What is the Royal Bank of Canada's contribution to the survival plans? Does he not believe the Royal Bank and other bankers and lenders have a social responsibility to ensure the viability of Canadian Airlines?

Hon. David Anderson (Minister of Transport, Lib.): Mr. Speaker, the difficulty of restructuring Canadian Airlines and turning it from a corporation which has had chronic losses year after year, totally \$1.3 billion over the last decade, to a profitable corporation in the black requires corporate restructuring.

It also requires of course the creditors, including the Royal Bank, to take their share of that restructuring. It also requires to get the credibility of the corporation in front of those corporate creditors to have all in the Canadian family showing their willingness and determination to make the restructuring work.

That is why last week I went to Vancouver with two other governments, the Government of Alberta and the Government of British Columbia, with five unions and the company. We were working together to get to a common front to show that we were determined to allow restructuring to work.

Now that we have—

The Speaker: That concludes question period.

* * *

• (1505)

PRESENCE IN GALLERY

The Speaker: Colleagues, I draw to your attention the presence in our gallery of His Excellency, Eduardo Stein, Minister of Foreign Affairs, the Republic of Guatemala.

Some hon. members: Hear, hear.

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[Translation]

BUSINESS OF THE HOUSE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, could the government tell us what is on its legislative agenda for the coming week?

[English]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, today, tomorrow and Monday, if necessary, we will continue the second reading debate of Bill C-70, the sales tax harmonization bill. When this is concluded we will call Bill C-60, the food inspection legislation, followed by Bill C-23, the nuclear safety bill.

On Tuesday we plan to have the first day of the prebudget debate during normal sitting hours of the House. But discussions are taking place to permit a special debate in the evening on the United Nations Declaration of Human Rights on what I believe is its 50th anniversary.

The remainder of the week will be taken up by the second day of the prebudget debate and the legislation I have already mentioned. If there is an opportunity to consider other matters, we will discuss the agenda on the other side of the House. This concludes my weekly statement of government business.

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WAYS AND MEANS

NOTICE OF MOTION

Hon. Jane Stewart (Minister of National Revenue, Lib.): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of ways and means motion to amend the Income Tax Act, the Income Tax Application Rules and another act related to the Income Tax Act. I am also tabling explanatory notes.

I ask that an order of the day be designated for consideration of the motion.

GOVERNMENT ORDERS

[English]

EXCISE TAX ACT

The House resumed consideration of the motion that Bill C-70, an act to amend the Excise Tax Act, the Federal-Provincial Fiscal Arrangements Act, the Income Tax Act, the Debt Servicing and Reduction Account Act and related Acts, be read the second time and referred to a committee; and of the amendment.

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Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I am pleased to have the opportunity to speak to Bill C-70 which deals with the GST harmonization in Atlantic Canada. The word harmonization reminds me of the song "I said it but I didn't really mean it", a very famous song.

It also gives me an opportunity to remind the Liberals in the House and, most important, their constituents, the Canadian taxpayers, of what was said on the campaign trail about the GST by the very Liberals who are sitting as the government today.

This is a little game called recall. First, let us recall the words of the Prime Minister when he was a candidate for the Liberal Party. He said: "We hate it and we will kill it". He did not say: "We hate it and we will harmonize it".

The Minister of Finance when he was campaigning as a Liberal candidate said: "I would abolish the GST". Pay careful attention to the word abolish. That means to get rid of, to lose sight of, to bury. That does not sound anything like: "I would harmonize the GST".

Our very own minister of defence said when he was a candidate: "The GST is a regressive tax. It has to be scrapped and, by golly, if we are elected to government, we will scrap it".

• (1510)

All across this country as the campaign went on Liberal candidate after Liberal candidate knocked on doors, spoke at public meetings and said in unison: "We will kill the GST. The Liberal Party will kill the GST if we become government in the next election". That is what they said. Everyone heard it. I was on radio shows with Liberal candidates and they could not wait to say "we will kill the GST".

It is sort of fun to go back in time and reminisce about what happened in the 1993 election. But there is a very serious part to all this. The bottom line is that the Liberal candidates in the 1993 election, prior to it, deliberately misled the Canadian people about what they were going to do with the GST. They deliberately misled the Canadian people.

The Speaker: I am sorry, I was otherwise disposed. Did the hon. member actually say "deliberately misled"? Did I misunderstand that?

Mr. Harris: Mr. Speaker, I was referring to the Liberal candidates prior to the 1993 election when they went campaigning and they were saying they would kill the GST, they would scrap or abolish it. That is a deliberate misrepresentation.

The Speaker: I wanted to make sure that I heard what I hoped I had not heard, but I would ask the hon. member to withdraw the words "deliberately misled", because that is just not parliamentary. Would the hon. member do that?

Mr. Harris: Certainly, Mr. Speaker. I have a great deal of respect for the Chair.

During the 1993 election the Liberal candidates went coast to coast and they mis—

Mr. Culbert: Mr. Speaker, on a point of order. I listened to the recent comments made by the member from the Reform Party. I can tell you that he is not accurate and not factual with his statement and by so doing—

The Speaker: Let us get back to debate now. The hon. member for Prince George—Bulkley Valley.

Mr. Harris: Mr. Speaker, in venue after venue in the 1993 election the Liberal candidates across the country told the Canadian voters that they would scrap, kill, abolish the GST. That is the fact.

Taxpayers across this country are going to remember because we are going to keep reminding them that they are going to pay for this Liberal promise, this yet another Liberal broken promise. They are going to pay for this harmonization scam of the Liberals that will hurt every Canadian taxpayer because to get the Atlantic Canada provinces, the ones that agreed to harmonization, the Liberals will give the Atlantic Canada provinces a cash payment to induce them to come on to this scheme.

This payment to Atlantic Canada provinces, the ones that have joined on, that have been duped into it by the Liberal Party, is going to amount to about \$1 billion a year just to satisfy the whims of this Liberal government to make it look not quite so bad. They can once again try to fool the Canadian people but they will not get away with it.

Taxpayers in every other region of Canada will be offering tax relief to Canadians in just a few provinces, the provinces that have been coerced into joining this GST harmonization plan.

Canadians in certain regions of the country I do not think should be asked to subsidize a tax cut for maritime provinces that came in on this plan because of this Liberal harmonization scam. But the Liberals are using \$1 billion from taxpayers to buy a buried GST in Atlantic Canada so that they can say they kept their election promise. That simply is not going to sell to the Canadian people. This is truly despicable and Canadians will not be hoodwinked by this Liberal trickery, this Liberal sleight of hand.

• (1515)

Atlantic Canadians will also suffer because while they may pay a lower tax rate in this harmonization scam, they will pay taxes on a larger range of goods and services. You do not get something for nothing, particularly when a Liberal government is running the country. If people think they are actually getting something from this government, they should keep their hands on their wallets and watch their back pockets. The government will not give you what it has not first taken away from you.

The harmonized tax will apply to children clothing—wonderful—books, hair cuts, funeral services, heating oil, home renovations, gasoline and new homes. New home prices will rise by about 5.5 per cent and municipalities will be forced to raise their property taxes.

It will cause an increase in gas taxes that will cost Atlantic Canadians as much as \$100 million a year. It will cost them more to heat their homes and funerals will cost more. The Liberals have even managed to make dying more expensive. When will the Liberals begin taxing births? That way they could get you coming and going. We should talk to the Minister of Finance and the revenue minister about this.

In all, this harmonization package is a bad deal for Atlantic Canadians and the maritime provinces generally. It is a bad deal for Canadians. Let us see what some of the other provinces said about this Liberal harmonization package which the Liberals are peddling as this huge great deal.

Ontario said that the plan would cost its consumers between \$2 billion and \$3 billion extra a year if the harmonized tax were implemented in Ontario. Ontario's premier said that giving the subsidization package to the maritimes represented nothing more than a bribe. That was his word, not mine.

Alberta's premier, who also runs a good fiscally responsible province, said that the compensation component was a bribe put forward to get the Liberal premiers in Atlantic Canada to sign on to the deal.

It will surprise the Liberals that Saskatchewan's minister of finance said that the plan would mean a massive tax shift on to the province's consumers. Who said NDP finance ministers do not know what is going on? Congratulations to Saskatchewan's finance minister.

Manitoba also said that the cost to consumers would be too high and that it would not sign on to it.

This deal will not only hurt consumers, it will hurt business in Atlantic Canada. Three major retailers have said that their net annual retail deficit will total \$27 million once this plan is implemented. The Retail Council of Canada knows what it is talking about. It stated that the harmonized tax will cost retailers \$100 million a year.

We are talking about a massive extra consumer tax. We are talking about deception. I urge Liberal members who have integrity to stand up in this House, stand behind their campaign promises and say no to this deception.

The Speaker: The member is quite agile on that tightrope. Please do not push your Speaker too far.

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, I will start where the previous speaker left off, with election

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promises. I remember very well what I said to my constituents during the election campaign.

● (1520)

First, one cannot get rid of \$16 billion of revenue without adding \$16 billion to your annual deficit, and taking \$16 billion away from what needs to be spent on other things that are important to Canadians.

I made it clear to my constituents during the election that replacing the GST meant replacing the revenue in some other way. That is quite consistent with the promise the Liberal Party made that it would replace the GST with a system of taxation that generated equivalent revenues, that was fairer to consumers and small business, that minimized disruption to small business and that promotes federal and provincial co-operation and harmonization.

There is no way that any of us on this side of the House will pretend that what we have in front of us today with the harmonized sales tax is a complete fulfilment of that. We know it is not. However, it is a first step to a national harmonized sales tax which would be significantly more efficient, fairer to consumers and a cost saving to businesses and taxpayers. It would significantly reduce costs of administration.

I answered a lot of questions about the GST during the election campaign. First, was it not supposed to help bring down the debt and the deficit? No, it was intended to be revenue neutral but in fact it lost \$3 billion a year in its first year of operation. In effect, it added \$3 billion to the deficit in its first year and it has continued to be a grossly inefficient tax to administer and to collect both for government and for the businesses who do the collection.

I explained to people during the last election campaign that the GST had replaced the manufacturers' sales tax which was collecting \$20 billion and netting \$18 billion. It was replaced by the GST which was collecting over \$33 billion and netting only \$15 billion, a net loss of \$3 billion in revenue but a 50 per cent increase in the amount we were actually collecting from consumers. There are clearly inefficiencies in the GST.

The very first commitment made by the government as soon as Parliament resumed was to task the Standing Committee on Finance with reviewing all possible means of replacing the GST. The committee did that. It held months of hearings, it heard from close to 100 witnesses and received many more briefs from right across the country. It heard the views of Canadians. I believe it looked at over 24 options on how to generate similar revenue and try to meet the other criteria of being more fair, more efficient and promoting federal-provincial co-operation.

Both the finance committee in an all-party report and the Reform Party endorsed the idea of a national harmonized sales tax as the best answer to the problems of the GST and that is what the bill

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before us today does. It starts the process of implementing that for three of the provinces.

The government did commit to try to bring in a tax that minimized disruption to small business. I want to take a few minutes to talk about some of the concerns that businesses in Atlantic Canada have about the implementation of the harmonized tax and how they have been addressed. I believe this is a pattern that if adopted across the country would help business, would help consumers and would reduce the costs of government.

Let me remind people that we are talking about one tax administration instead of two, one set of books for businesses to keep instead of two, one point of paying the sales tax instead of, as they now have in the provinces, at many points throughout the production process.

Let me focus on how it is being implemented at the cash register because Canadians, including businesses, have told us again and again that they want to know the price before they get to the cash register.

• (1525)

How many of us have talked to small business people in our ridings who have said: "My consumers come to the cash register, they see the total price and they leave the goods there and walk away". Under the new system people will know the price of the good when they see it on the shelf. It will be the same price they will pay at the cash register.

Potentially that could cause problems for businesses which may receive pre-priced goods or which may already have pre-priced goods in their shops. The legislation allows them to simply indicate on the shelf what the tax inclusive price will be. Their customers will know, but those stores will not have to absorb the cost of re-ticketing and re-costing every item on the shelf.

[*Translation*]

The government is doing all it can to minimize the disruptive effects of these measures. Businesses will have to adapt their operations, but we have prepared rules that will minimize problems for businesses and meet the needs of consumers.

[*English*]

Let me highlight some of the initiatives with respect to tax included pricing.

Business will be able to include two prices on pre-priced goods, one showing the HST inclusive price in harmonized provinces and the other indicating the price elsewhere, which may have been put on by the manufacturer when the goods were shipped. They will be able to re-ticket items to show tax inclusive prices in harmonized provinces. Magazines are a good example of how rules are being developed to minimize business disruption. Magazines are differ-

ent than other pre-priced goods due to their time sensitive nature, high volume and rapid turnover.

The new pricing requirements are consistent with the pricing practices that businesses need to continue to operate with minimum disruption and efficiency.

The provincial governments have obtained a point of sale rebate for the provincial component of the HST on books. The price of books, used or new, will not rise as a result of the HST.

Administrators will work closely with business to ensure that tax inclusive pricing is implemented smoothly, with minimal disruption to normal operation. We believe that businesses will conform to the flexible rules so consumers can know the full price of their purchase in advance. Where businesses are trying to conform, they can certainly expect full co-operation and assistance.

Receipts and invoices will disclose either the amount of tax paid or the rate at which the tax has been charged. We will continue, as this is implemented, to work with retailers and businesses to ensure the new tax inclusive pricing system works effectively and efficiently.

I have listened to the speeches of other members of the House. I would ask the members of the Reform Party to go back and review their comments at the time the finance committee recommended the harmonized tax. They endorsed it fully at that time. I would never question the motives of other members of this House, but one has to wonder whether their position now that reality is in front of them does not have more to do with politics than good taxation policy.

[*Translation*]

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, it funny the way things change over time. Today, the Liberals are being quite touchy. Reform members are telling them that during the 1993 election campaign, they openly condemned the GST. Liberals are now raising questions of privilege and using every tactic in the book, suggesting it is unparliamentary to remind them that they condemned the GST during the election campaign.

But we have seen a minister in this House, the Deputy Prime Minister at that, who was forced to resign or felt she had to resign because she had stated that if the GST was not abolished, she would resign.

• (1530)

She did resign, and she was re-elected. It is as if I, a sovereignist member, said: "If Quebec does not secede some day, I will get re-elected as a Liberal member". God forbid. It would be unthinkable. If I did that, you would say I was dishonest. I do not mean to apply this word to my colleagues. I simply want to remind you that the Deputy Prime Minister said during the election campaign: "If this tax is not abolished, I will resign".

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During the 1993 election campaign, the Prime Minister said: "We will scrap the GST". Then, on May 2, 1994, he said: "We hate this tax, and we will get rid of it".

The bill before us today is even more underhanded than the scheming of those who claimed they would abolish it. Not only are they keeping it and pushing it in the western provinces, they are redeeming themselves for the next election by harmonizing it in the maritimes.

The hon. member for Beauséjour is puffing up his chest, but he was not so proud, not so long ago, when the people in his riding were angry. I even saw on television someone roll up his sleeves and invite him to step outside the assembly hall. He was not puffing up his chest then as he is doing now. He let that guy speak, I am telling you, I saw it on television.

But if we dig a little deeper, we see that this government is trying to buy back the maritimes after closing some military bases there. That decision was not very well received. Now, they are giving them a present valued at \$920 million for a start. That is to buy the coming election, to try to buy relative peace, because the people there nonetheless understand to a large extent that the government is trying to pull the wool over their eyes. This gift is a sort of Trojan horse, but for many people, it is something that seems, for the moment, acceptable.

I listened to the parliamentary secretary who just spoke. She presented the GST as something completely harmless; she said it was simply replacing the old manufacturers' sales tax. Yet they did call it the goods and services tax, since it not only replaced the old 9 per cent federal manufacturers' tax but extended it to other economic sectors that had not been affected until then. The new tax now applied to legal services, for example, or to any other kind of service for that matter.

That is probably why, acting in good faith that proved short-lived, the Prime Minister, then leader of the official opposition, rose up against this tax. He expressed outrage in public, as he did in his red book and during the 1993 election campaign.

This famous tax shows that the government in place, just like its predecessors—and it is a Liberal government that was responsible for the first deficit in our history—claims that cutting the heart vein just before the blood gets to the heart is good for the taxpayer and for all aspects of our economy and allow the patient to live longer. In so doing, the government is revealing its inability to find other ways of collecting taxes and generating government revenue, which is disastrous. It is tragic.

Mr. Robichaud: Oh, oh!

Mr. Lebel: I would invite the member for Beauséjour to breathe through the nose. I do not know who will take over his riding after

the next election, but he may have to let it go given the performance of his party over the past three years.

The member for Beauséjour should stop shouting at the official opposition, his peers who still live on Canadian soil after all, and are looking for ways to improve the taxation system, increase public revenues without choking people to death. I could very well make some suggestions.

• (1535)

I will offer one suggestion, if he is considerate enough to listen to me; the idea just came to me.

Take the example of a worker. First, 57 or 58 per cent of his paycheque is deducted at source. On his paycheque stub he can see the word "net". What it means is that his paycheque is trimmed down to the minimum, because there is not much left. He then goes home with the 42 or 43 per cent that is left, but he is not out of the woods yet. The government thinks, dreams, racks its brains and says: "How could we grab most of the 43 cents on every dollar earned that actually he brings home?" It thinks about all kinds of things and talks about harmonization, but it never thought that, because of the economic multiplier, the less money people have, the less they will contribute to making the economy work, the less they will invest in our society and the more this economic multiplier will tend to move toward zero, towards nil.

Then, the government ponders and finds that it is not getting enough revenues. It must trap people again, somewhere else. That is the Liberal philosophy.

I will give an example. If it were willing, one day, to see things differently. We are all taxpayers and, at some point, we have to paint the interior of our house. What do we do? On a nice Saturday, we go out and buy gallons of paint, two rollers and one pole. With our wife and children, we do the painting ourselves. It takes one weekend. This has cost us \$300 or \$400 in paint and we have saved money on a job that would have cost \$800 in total.

If the government had examined that sort of thing and had allowed the taxpayer, instead of wearing himself out on the roller one weekend, to officially give the contract to someone else, thus thwarting the underground economy, the taxpayer could say: "Instead of wearing myself out on the roller, I will give the work to my neighbour who does not have a job. He has a social insurance number and will declare his income. In reality, this will cost me \$800, but I will get a tax refund of about \$200 and the paint will have cost me \$400. Fine. It is worth my while to spend a whole weekend painting my house to save \$200? Perhaps I would have given the contract to someone else." To save \$800, it is worth it, to save \$400 also, but not to save \$200. This is the kind of thinking they are incapable of doing.

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This might mean at the outset some kind of tax break, which is unthinkable for those on the other side. They prefer to raid the piggy bank greedily, a bit more every day, and they will go almost as far as the highwaymen of the last century, who would lay in ambush for travellers and rob them. Whether the hon. member for Beauséjour likes it or not, this is the situation we are facing today. These people show no sign of compassion for taxpayers nor any willingness to provide some relief and get the economy rolling. We could get rid of the underground economy; it could yield interesting results, but they refuse to do so.

Even if I suggested such a thing, I would be afraid that they would turn around and tax capital gains from the sale of a residence. That shows are crooked they are.

Personally, I expect nothing from this government but I hope it will be able to tell the truth to the people and tell them it paid out \$920 million to the maritimes to buy the support of voters there and make them forget the terrible things it did there. But we cannot be sure of that, because we have just seen one province change governments unexpectedly.

Their bill contains nothing which allows them to pat themselves on the back. We see how well they are holding promises made in 1993. We should expect nothing from these people, not even the honesty to admit that they broke their promises and that their word is not worth more than the ink of the red book.

• (1540)

[*English*]

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, I would like to follow up on my colleague's comments and start out by asking what is a promise. A promise is an assurance that one will or will not undertake a certain action. A promise is a statement of integrity, a statement made with integrity. It is a commitment that is not to be broken. When we talk about keeping promises we talk about building trust.

On the campaign trail the Prime Minister said: "There is not one promise that I have made that I will not keep". That has now become a joke. This government has broken more promises in the past three years than it has kept.

Regarding the GST, the Liberals promised to scrap, abolish, kill, eliminate, get rid of GST. This is a promise they took from door to door. This was a major cornerstone of the Liberals election campaign.

On October 29, 1990 the current Prime Minister said: "I am opposed to the GST. I have always been opposed to it and I will always be opposed to it". The current Minister of Finance stood in the House of Commons on November 28, 1989 and said: "The goods and services tax is a stupid, inept and incompetent tax". On

April 4, 1990 he said: "I would abolish the GST". On November 6, 1991 the current Deputy Prime Minister asked the Tory government why it was pursuing a GST policy that "kills Canadian jobs and puts a heavy burden on our tourist industry". On March 24, 1994 the current revenue minister stated: "As Liberals we were elected to change the tax, abolish the tax, scrap it".

The Deputy Prime Minister campaigned that she would resign if the GST were not abolished under a Liberal government. Rather than resign, she stepped down and ran a second election in her riding which cost Canadian taxpayers \$.5 million.

Last March Reform put forward a motion to abolish the GST. One hundred and thirty Liberals, including the Prime Minister and Deputy Prime Minister, all voted to keep the GST. Their vote against the motion proves that they have absolutely no intention of keeping their election promise.

Clearly, killing the GST promise is just another broken promise in a long string of broken promises. The Liberals claim to have fulfilled 75 per cent of their 1993 campaign promises. We checked. We found that they have fulfilled only 22 per cent of their promises. Some record. That is a record of shame.

The red book says there is little room to raise taxes and that long term goals should be tax relief. The Liberals also claim they have not raised taxes. In fact, the Liberals have increased taxes 30 times in the past three budgets as well as instituting higher sales taxes for Atlantic Canadians.

The government made many campaign promises to scrap the GST. During the campaign Canadians did not hear anything about harmonizing the tax with the provinces. Rather than scrap the GST, the Liberal government is in the process of harmonizing the GST with the provinces to create a new sales tax, a harmonized sales tax, HST. Instead of removing the GST, the Liberals are now trying to hide the GST by including new harmonized taxes in the price of goods.

I cannot wait until the next election when Canadians will show the Liberals what they think of this broken promise, the same as the Canadians did with the Conservatives regarding the GST. Three Atlantic provinces have signed on to this deal, this harmonization deal. GST harmonization in Atlantic Canada merges provincial sales tax with the 7 per cent GST to create a single tax of 15 per cent to be implemented on April 1. It is odd that it should be coming on April Fool's Day.

The provinces that have signed on are Newfoundland, Nova Scotia and New Brunswick. The harmonized tax, the HST, is nothing more than a super tax grab on consumer spending. It is simply another tax grab.

From the last 13 years of Liberal and Tory rule, on average Canadian taxpayers now pay an extra \$1,126 a year simply in

increased sales and excise taxes. The HST if applied right across the country will raise these taxes even higher.

• (1545)

In addition, the harmonized sales tax will apply to more goods than are currently taxed on retail sales. Consumers in the Atlantic provinces that signed on to the deal will pay higher taxes on children's clothing, gasoline, books, funerals, new homes, heating oil, haircuts, used goods and even postage stamps. This simply means higher taxes for Atlantic Canadians.

For example the HST will push the price of a new house up by 5.5 per cent. Some deal. Higher operating costs for landlords will mean that renters will pay higher rents.

There are also concerns that the tax included pricing will cause chaos not only in the Atlantic provinces but in the rest of Canada. According to the Retail Council of Canada, national retailers will be forced to change computerized inventory systems and separately price goods bound for the Atlantic region. This alone will cost \$100 million.

With harmonization, Canadians will have one tax included price in Atlantic Canada while the rest of the country will function with prices that do not include GST or sales tax on the label. There will be two separate systems.

The harmonized sales tax is not only unfair to Atlantic Canadians who will pay higher taxes on many items, it is also unfair to the rest of Canada which will be paying \$1 billion in compensation to the Atlantic provinces for lost tax revenue. Once again the west is financing the east with a \$1 billion transfer of wealth to Atlantic Canada.

The combined sales taxes in Nova Scotia and New Brunswick are currently 18 per cent. In Newfoundland the combined rate is 20 per cent. A 15 per cent combined rate is a deal for Atlantic Canada. The rate will be reduced. That is the reason for the \$1 billion transfer.

There are no advantages to provinces that pay a combined sales tax which is less. For example, Alberta has no provincial sales tax and only has the 7 per cent GST. Why would it want to enter into harmonization and go from the 7 per cent GST and no provincial tax to a 15 per cent tax? Try to sell that in Alberta. Tax systems across the country should be equitable, yet this deal is hardly equitable for Canadians outside the Atlantic provinces.

Furthermore there are concerns that revenue shortfalls as a result of lowering the tax rates may be made up by changes in equalization formulas. Canadians could see an increased redistribution of wealth from western Canadian taxpayers to the maritime provinces for nothing more than what are purely political reasons. Because the GST promise was not fulfilled, the government is now going to the HST. The result is that a transfer of wealth is going right across

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the country to fix the deal. It is strictly political and it is absolutely wrong.

Harmonization will not work in central and western Canada because as I stated earlier, at present the combined rates are less than 15 per cent.

Furthermore it does not make any sense for Ottawa to adopt a policy that calls on all Canadians to pay the same taxation rates regardless of where they live. Provincial taxation rates are based on provincial needs. There is no reason for a national tax rate right across the country.

All provinces simply will not come onside with this agreement. Some provinces have no sales tax, such as Alberta. Other provinces have a provincial rate that is less than 8 per cent, so the combined rate of 15 per cent simply does not make any economic sense for those provinces to buy on. Alberta, Ontario and B.C. are simply not willing to discuss the federal proposal. Support is very weak in Saskatchewan, Manitoba and P.E.I. The HST simply does not work and it will not work.

It is my understanding that in the beginning the government was going to call this the blended sales tax. Perhaps it should have done that. Now it is the harmonized sales tax, the HST. Of course a blended sales tax would be a BST. Many Canadians are seeing that a BST is very much what this bill is creating.

When will the government understand that tax increases mean job losses? If the Liberals are serious about getting our economy back on track and creating jobs, then they must start by giving business incentives to create employment. That means lowering taxes, not raising them, as they are doing with the HST.

• (1550)

[*Translation*]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I am pleased to rise today to speak on this GST bill, especially since I was a member of the ruling party at the time of the federal tax reform. I can clearly remember the whole process, and it is really funny today to see how the Liberals are going about it.

Let us not forget that, in 1988-89, we had a federal tax that, from a consumer's point of view, was a hidden tax. It was known as the manufacturers sales tax and it was charged by manufacturers to retailers. When manufacturers shipped their products to retailers, 13 per cent of the products' sale price went to the government to cover the federal tax.

At the time, there were reportedly some 22,000 exemptions. Many products were neither taxed nor taxable. It had been decided that food, drugs and educational material and health products should not be taxed. Many products became tax exempt; there were reportedly 22,000 exemptions.

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A large number of manufacturers also argued before the courts that the federal tax should not apply to their products. They felt it was unfair for their products to be taxed when an equivalent product was not. Every manufacturer claimed that his product was similar to a product that was not taxed.

This prompted the federal government, a member of which I was at the time, to reform the federal sales tax, not to create a new tax in addition to the old one, but to reform the old tax, because it was no longer manageable. There were so many court cases, it was just a nightmare. That tax was really not manageable any more.

The federal tax has been in existence for a long time. It used to be a tax on products only, which the manufacturer himself would charge to retailers and then pay to the federal government. Because it was no longer manageable, the federal government, of which I was a member, decided to reform that tax, which generated about \$18 billion in revenues.

Today, it is said to bring in about the same amount, perhaps a little more. So, the idea was not to increase federal revenues, but to reform the tax to make it easier to manage and fairer to everyone.

The federal tax was also difficult to administer in the case of exports. Now that it is directly charged to consumers, it is easier to manage in the case of exports, since these products are shipped before the tax applies. Indeed, most export products are not taxed, which promotes exports and creates jobs at home. This was quite a reform, as you will remember.

However, the official opposition of the time led Canadians to believe that it was a new tax, and that the government wanted to tax them more. I remember that this issue generated heated debates in the House. The Liberals convinced Canadians that it was a new tax when in fact it was a tax reform. But they did convince people that it was indeed a new tax.

• (1555)

They worked very hard. The issue was debated for months. They kept us in the ropes until Mr. Wilson, who was finance minister at the time, finally agreed to make several exceptions.

Some products are exempt from the federal tax. Today, we are still stuck with a tax that does not apply to many exceptions. For example, if you buy an item at a convenience store you pay tax on it; however if you buy a six-pack of yogurt, it is tax free. Similarly, if you buy a cupcake you pay tax on it, but if you buy the same cupcake in a box of 12, there is no tax.

All this is to say that, when the Liberals formed the official opposition, all they succeeded in doing was to further complicate this federal tax, when all we had wanted to do was simplify it.

I sat on the committee responsible for the GST and I was in agreement up until the last minute. I remember very clearly that we met with the Minister of Finance almost every two weeks to discuss the issue and hear how things were progressing. I always supported it, because there was a GST refund for those earning less than \$30,000. There was a refund for the neediest, the most disadvantaged, to offset the effects of this tax on goods and services. I always felt, and I still feel, that everything should have been taxed, without exception. All goods and services should have been taxed, whether they came under health, education or whatever, because we had simultaneously introduced a means of compensating poorer Canadians through a GST refund.

You know that thousands of people receive GST refund cheques. So there was a system in place to compensate the poorest members of society. Why then was there a need for exemptions in this case? No, exemptions were not necessary, everything should have been taxed, without exception, because we had seen that the preceding federal tax with its 22,000 exemptions was no longer manageable. In the not too distant future, in a few years probably, we are going to find ourselves facing the same problems as those we had with the other tax.

The difference is that the previous federal tax was 13 per cent on goods, and now we have a federal tax of 7 per cent, or 6.5 per cent, on goods and services, that is services received and goods sold. Before, it was just on goods. It was 13 per cent on goods, now it is 6.5 per cent, but on both goods and services. You can see, then, it comes out just about the same.

During the elections, we saw the Liberals attacking the Conservatives in a deceitful way, if you will, cheating a bit with the whole thing. They had already been very successful as the official opposition in convincing people that the Conservatives had created a new tax. It was, however, not a new tax, but a tax reform, which was completely legitimate and fair. However, when you are in politics and want to get into power, you can say just about anything; you lie to the public. I have always thought, since I started in politics, that the winners in an election campaign are the ones who are the biggest liars. Afterwards, they do exactly what they feel like, and this is obvious to everyone.

I will give you a couple of examples of this. The Prime Minister said "I will scrap this GST", I will do away with the federal tax. This would have been no mean feat. In 1993, during the campaign, the Prime Minister said "I will do away with the federal tax". He tried to convince people once again that this was a new tax, not a reform of the tax created by the Conservatives, no, but a new tax in the mind of the Prime Minister, who said "I will scrap it". And did he? No, on the contrary, he is maintaining it and intends to dump others on us as well.

He said: "We hate this tax. We will get rid of it". Those are the Prime Minister's words. The Deputy Prime Minister said: "I will resign if the tax is not eliminated", and she did.

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All of this to tell you that it is somewhat sad for democracy when all manner of things are said during a campaign, and then exactly the opposite is done afterwards.

• (1600)

[*English*]

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I am pleased to participate in the debate today and to register my opposition to this bill to harmonize the GST in Atlantic Canada.

I am surprised that we have to register our opposition to this bill because while the bill has been introduced by the government, it had all kinds of opposition to this type of legislation back when it was on this side of the House. I refer to the Commons *Debates*, page 4554, November 5, 1991, when the member for Willowdale who is now the chairman of the finance committee said: "How can Canadians have faith in this government's ability to lead us into prosperity when the GST, according to all these studies, is working against small business?"

This is from the current chairman of the finance committee who has done a complete and absolute about turn on the legislation currently before us. He opposed it when he was on this side of the House and now he has bought into the entire Liberal agenda and is endorsing and supporting the Minister of Finance in the introduction of this divisive tax which is going to kill jobs.

He was not the only one who did not like the GST. How about on May 10, 1993 Commons *Debates* page 19170, where the member for Winnipeg North stated: "The Liberal party, in contrast, is committed to changing and abolishing the GST within 12 months".

The Liberals won the election in October 1993 and 12 months from that date was October 1994 and by that time we knew that the government had reneged on any promise it had made regarding the GST. Here we are today debating its enhancement rather than its elimination. The member for Winnipeg North said that within 12 months be assured that this Liberal government will get rid of that hated tax which all Canadians would dearly love to see gone.

Even the member for Edmonton Southeast—and it is not often that I go into quotes in *Hansard* from the member for Edmonton Southeast—on June 7, 1993, page 20483 said: "It is one of the reasons why we are proud to say we will repeal that tax and ask Canadians how we can best replace the missing revenue".

We are not talking her about missing revenue. We are talking about adding to the revenue, and that is the ultimate insult.

On it goes. How about the Prime Minister, June 13, 1991, page 1632: "With the GST this government has created an unfair and

unacceptable tax". He said that and he endorses the initiative of the Minister of Finance to introduce legislation to bring us the harmonized tax.

The Prime Minister again, page 6046, December 10: "On the GST we have a very clear position. We say that we want to kill the GST". That is from the current Prime Minister, not the prime minister of that day. I quote his words from the Commons *Debates*.

The member for Halifax, page 6406, Commons *Debates*, February 4, 1992: "What I refer to is a general suffering from our goods and services tax". And what did it do? The government harmonized, increased and took more money.

One final quote from the member for Greenwood: "My leader three weeks ago said that this GST will be scrapped. Make no mistake about it, the GST will be scrapped if we are given the trust to run the Government of Canada". This was said in *Hansard* on March 12, 1993 page 16902.

• (1605)

Make no mistake about it, they were given the trust to run the Government of Canada and what did they do? They abused the trust. They let Canadians down. They have destroyed the confidence that the people gave to them in October 1993. That is why we have no faith in this country for politicians with those kinds of speeches when in opposition. They said "give us the trust, put us in power, we will deliver". What do we have? A harmonized sales tax for Atlantic Canada and a GST remaining for the rest of Canada.

The GST by the way has been increased for the rest of Canada because it now applies to used goods as well as new goods. Every time a car trades hands the government collects GST on that automobile even though there was a serious commitment by the government that goods would be taxed only once when they were brand new. This Liberal government has expanded the tax to cover everything every time it changes hands.

The Minister of Finance tells us he is not increasing taxes. Hypocrisy from this government that it would say such things.

There are quotes upon quotes. In the Toronto *Star* dated October 29, 1990, the Liberal government said it will scrap the goods and services tax if it wins the next election. The current Prime Minister said: "I am opposed to the GST. I have always been opposed to it and I will always be opposed to it". I could go on forever slamming this government but let us talk about something positive for a change.

We heard the hon. member for Medicine Hat today in question period when he was talking about the Certified General Accountants Association which came out yesterday calling for a tax reduction, which I wholeheartedly endorse and let it be noted for

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the record. I happen to be a certified general accountant and therefore I fully endorse the report it issued yesterday.

It said if we drop the UI premiums by 20 per cent that would create about 60,000 jobs. As the member for Medicine Hat said, Reform wants to drop it by 28 per cent which will create even more jobs. That is the commitment by the Reform Party. I assure members that after the next election when Reform trades places with the Liberals we will honour that commitment. Have no fear, we are not mincing our words, we are not saying beautiful things to win elections. We are talking about Reform policies where we say we will deliver.

We have talked about reducing taxes to families. People today on small incomes are struggling to raise their families and before they get that small pay cheque that is made even smaller by this government they have to get by. And yet we find that this government would rather try to tell us about programs that pick up the pieces of broken families rather than focusing on keeping families together.

I have an interesting story. I was going through the airport while heading back to my riding one day. One of the security personnel spotted my badge as a member of the House of Commons. He stopped me to tell me that he does not make a large salary as part of the security personnel at the airport. He has a wife and three children. Yet his family is so important to him that he makes sure that his wife stays home even though they have to do without many things. Yet on his small single salary he makes ends meet even though it is quite difficult.

The current taxation policies by the Liberal government deny him a deduction because he wants to raise his own children by himself and have his wife at home. The parents are denied tax relief because they want to raise their own children. He could send the children next door and have the next door kids come to his house and have his wife look after them and they would each get a tax deduction. But this government's policy is to deny a tax deduction for anyone who wants to raise their own children. What is fair about that?

• (1610)

That is no more fair than the way Canadians have been misled by this government when they were told that the GST will be axed, scrapped and abolished; not harmonized, not increased, not expanded, not to collect more money. That is the deception this government has imposed on the people of Canada.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, we absolutely must take advantage of the government's motion to point out how both the parliamentary process and Liberal promises

have made a laughingstock of democracy. The official opposition received a 300-page bill, with 24 hours to look at the text and no explanatory notes.

This is hardly a democratic or a parliamentary way of doing things and shows little respect for the role and the duties of the official opposition and the third party. Their role is to ensure that the government discharges its duties in accordance with its program, the commitments it has made and its legal obligations.

We can hardly say that receiving a 300-page bill on which we are expected to make recommendations the next day is conducive to a serious process, a process that will reassure Canadians. That is the real issue. This government behaves as though it were the only party in this country. No wonder it has stopped showing any concern for human rights in its international relations.

I also want to point out, and we cannot help but repeat this now that an election is in the offing, that the Liberal Party was elected last time thanks to at least two false representations: jobs, jobs, jobs, emplois, emplois, emplois, while the results, despite all the Prime Minister's bragging, are nowhere near meeting existing needs and nowhere near the level reached in 1990.

Two thirds of the drop in the unemployment rate, which is still close to 10 per cent, or as the Prime Minister would say, is no longer 12 per cent, is due to the fact that unemployed workers have left the labour market and have given up looking for jobs.

So the unemployment rate has gone down, but the number of unemployed workers has not. It is worse than that. According to a recent Statistics Canada publication, what happened between December 1994 and December 1995, a period the government likes to brag about in terms of its performance? The bulk of the jobs were created by independent workers, in other words, people who had to start their own business, and of course, we do not know how long that will last, and meanwhile, these people are cut off from all social insurance programs.

• (1615)

"Jobs, jobs, jobs" came with a promise by the government to get rid of the unpopular GST. What do we see? Not only does the government not get rid of the GST, but it busts its britches because the Deputy Prime Minister, who agreed to resign, was re-elected, and the government is now absolved. Well, that is far from the case. We remind the government, the Liberal Party, that it was elected on promises it knew it could not keep.

The example came from way back in the history of the Liberal Party. Mr. Speaker, I do not know how old you are, but you must remember that Prime Minister Trudeau, in his time, ridiculed the Conservative government, which, in a period of high inflation, talked of imposing wage and price controls. Poor Joe Clark suffered the slings and arrows of the opposition of the day.

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What did Prime Minister Trudeau do a few months later? He imposed wage and price controls. There is a lesson there. It should be repeated in the coming months. The Liberal Party gets elected on promises it does not keep and I dare to suggest that it knows it cannot keep them.

A couple of words to say that this promise will cost Canadians and Quebecers dearly, because in order to appear to keep it more or less, the government reached an agreement with the Atlantic provinces to have them integrate the GST, make it disappear, something it has always opposed. But they will receive, in compensation, \$961 million coming out of the pockets of the other provinces. Not only were the promises made deceptive, but it is costing a pretty penny to hide the fact that the government is unable to deliver the goods.

I take some solace, however, in the thought that, in the upcoming election campaign, the Liberal government will probably promise to resolve the Canada-Quebec issue. That is what the government will say, but everyone will know that it will, in fact, be paving the road to Quebec sovereignty. It will promise what it cannot deliver and knows it cannot deliver, but will run on that platform anyway.

We, on the other hand, will be able to remind voters of this fact over and over again and to count on the Liberal government helping us win the next referendum. We want to reassure you however that what we want is to negotiate a partnership with Canada. Our offer remains on the table because we count on your co-operation in the next election.

• (1620)

The Liberal Party is giving a really poor example of democracy, a poor example of the parliamentary system at work.

If I have a moment, I would like to add that the measure adopted by this government that has promised to eliminate the GST on books is in fact mere window dressing so the government can say it eliminated the GST. The truth of the matter is that this government is not going as far as Quebec by extending the tax exemption to all books, not only those bought by organizations involved in literacy programs but also those bought by consumers, but it is once again trying to pull the wool over people's eyes.

[*English*]

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, it is a pleasure for me to address the House this afternoon on Bill C-70.

Mr. Morrison: Mr. Speaker, I rise on a point of order. Inasmuch as we members are outnumbered by the pages, I would suggest we probably do not have a quorum.

The Acting Speaker (Mr. Milliken): Call in the members.

• (1625)

And the bells having rung:

The Acting Speaker (Mr. Milliken): I see a quorum. Resuming debate, the hon. member for Prince George—Peace River.

Mr. Hill (Prince George—Peace River): Mr. Speaker, it is good to have an audience at last. I am always torn between having absolutely no Liberals in the House and having so many Liberals in the House making so much noise that I cannot hear myself think. We are always betwixt and between whether we want to have one or two government members to hear our remarks or whether we would rather have a whole bunch and be unable to be heard.

Before I begin my remarks on Bill C-70, the harmonized sales tax legislation, I have a few brief remarks on what transpired in this place this morning. There seems to be a misconception on the part of some government members as to exactly what happened. It is important for the viewing audience out there in TV land to understand the process and the procedure which took place this morning and why that got out of kilter. It is necessary to correct the record.

This morning during debate on Bill C-71, the tobacco bill, my colleague from Macleod put forward a motion that the question be now put. What happened was that I believe there was a misunderstanding on the part of the Speaker who was in the Chair at the time. She elected to call the question immediately, but that was not the point at all.

• (1630)

The Acting Speaker (Mr. Milliken): Order. The hon. member knows it is improper to reflect on decisions of the House or on decisions of the Speaker once rendered. I would caution him in his remarks to avoid such references. I think he has other matters he will want to discuss in relation to the bill before the House and I invite him to approach the subject in that vein.

Mr. Hill (Prince George—Peace River): Mr. Speaker, I was endeavouring to clear up a misunderstanding, not cast negative aspersions on anyone, let alone on the Chair of the House. I think it is incumbent on all of us as members of Parliament who are trying to represent our constituents to clear up any potential for a misunderstanding.

It certainly was not the intent of the Reform Party of Canada to limit debate. That was not the intent of the motion and the motion indeed did not do that. I want to make it very clear for the people out there who are watching that the motion in no way limited debate on Bill C-71, the tobacco bill.

I make reference to that because of the chain of events which did take place which prevented some members from speaking. The

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member for Haldimand—Norfolk made an intervention in that regard. I can sympathize with that because a number of members had intended to speak to the legislation and had important points to bring forward on behalf of their constituents. Certainly the member for Haldimand—Norfolk was one of those individuals, as he indicated, who wanted to make some strong points and represent the people in his riding. The Reform Party certainly did not limit or prevent him or any other member in this place from doing that.

I sympathize with the member. I believe that all of us in this place get tired of preparing presentations only to have some procedural thing prevent us from presenting our views to the House. Indeed from time to time the government elects to enact closure or time allocation and prevents members from all parties from speaking to important legislation. That too is tragic. It is very unfortunate that this morning we had a process which did not fall into place the way it was intended to allow people to speak to that legislation. That was unfortunate for all members concerned.

I want to say that I have a personal point of view on that very important issue. I am a father of three young children and unfortunately my middle child has taken up smoking in this last year or so. I wanted to bring the personal perspective as a parent and that I have struggled for the last 12 or 15 years to try to quit smoking. I know how addictive nicotine is.

I wanted to bring forward how tragic it is for all parents who have to deal with children who have taken up cigarette smoking. I know we are all concerned about that. It is certainly why the Reform Party endeavoured to assist the government in fast tracking the legislation and to do all we could to assist the government in helping the youth of our country who unfortunately are taking up cigarette smoking despite all the education about it.

I will now move on to Bill C-70, the harmonized sales tax. Never before has a particular government initiative, the goods and services tax, caused such fury in our nation. Anyone in Canada can reflect on the debate which took place inside and outside the House of Commons during the days, weeks and months that the Mulroney government was bringing forth the GST. It tried to ram it through despite the polls which consistently showed time after time after time that roughly 85 per cent of Canadians were opposed to this tax.

• (1635)

Why were they opposed to the tax? Obviously people are opposed to any tax, but the reality goes much deeper than that. I made the remark a couple of years ago when we were debating gun control in this place that I believed that Canadians had reached the same point with gun control as they had with taxes. They had reached the breaking point.

They reached that point with the GST. That is why there was such an uproar all across the country against the Mulroney Tories, the Conservatives, and the much hated GST they were attempting to implement. It was so much so that as will be recalled when looking at the history of this tax, Mulroney had to actually go to the extraordinary step of appointing eight additional senators to the other place in order to ram through that legislation against the wishes of the vast majority of Canadians.

What have we got now? I recently wrote an article for the newspapers back in my riding of Prince George—Peace River in which I briefly detailed the history of the GST. I find it more than a bit ironic that this tax caused a couple of Conservative MPs to be thrown out of their caucus because they dared to represent their constituents and that last spring this same issue caused the Liberal Party, which is now the government, to throw a member of Parliament out of its caucus.

Despite the fact that this Liberal government would like to pull the wool over the eyes of Canadian voters that the Liberals are different from the Conservatives who came before them, what we see is that they are exactly the same. And they wonder why Reformers and Canadians from coast to coast are saying Liberal, Tory, same old story. Nothing changes.

On the subject of the member of Parliament for York South—Weston, it is more than interesting that in a speech to the Rotary Club of Toronto he addressed the topic “Honesty, Ethics and Accountability: Does it exist in Canada’s political system”. In the little time I have left, I would like to quote one thing from his remarks that day:

Removing me from the Liberal caucus accomplished two things. Firstly, it accomplished the government’s main objective. It sent a very clear message that the PMO is intent on maintaining control over members of the Liberal caucus. But in addition, separate and apart from the Liberal Party or the GST, it sent a second larger message to the Canadian public. The action taken by the government on this issue has reinforced Canadians’ worst suspicions—that political parties will promise anything to be elected, and once in power will not fulfil that promise. That message is the reason people question whether there is honesty or ethics in our political system.

That is a direct quote from the member for York South—Weston on how he was treated by the government on this very issue of the GST and his stand against it.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, I also want to address Bill C-70, which is basically a series of amendments to the GST.

Three years ago, the Liberal members opposite promised to abolish the GST. You will remember that, every day during the 1993 election campaign, Liberal candidates would canvass their ridings, all over the country, telling people to vote for them,

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because they would eliminate the GST. The Liberals were even more vocal outside Quebec. They said: "We will scrap the GST".

• (1640)

I will use polite words and define "to scrap" as the equivalent of to abolish or to eliminate. The Prime Minister even repeated that statement in the House on several occasions, in response to questions from Bloc members and members from other parties as well.

Three years later, we have before us a few proposed changes here and there, and what amounts to some kind of political compromise to compensate those maritime provinces that have harmonized their tax structure.

Over these three years, abolishing the GST gradually became synonymous with harmonizing the GST. To my knowledge, the dictionary does not mention "to harmonize" as a synonym for "to eliminate" or "to abolish". I may be wrong, but I doubt it. In any case, voters will not be fooled.

As for the Deputy Prime Minister, she went even further than her colleagues and said she would resign if her government did not abolish the GST. She said that because she thought her party had made a commitment—after all she is now the Deputy Prime Minister—to abolish that tax. She did resign, but only to immediately run again in a byelection that cost Canadian taxpayers hundreds of thousands of dollars. Indeed, her constituents were not the only ones who had to pay. Everyone in this country had to pay for this political circus by the Deputy Prime Minister.

If she was so convinced that her government had not kept its promise, why did she not resign and go back to private life, period? Probably because she missed the limousine, her position as Deputy Prime Minister and all the advantages she enjoys every day.

Having missed all that for a few weeks, she naturally came back, resumed her duties, and was taken back into the fold as though nothing had happened, and nothing more was said.

It is a rather sorry saga, but there is more. The Deputy Prime Minister's political adventure was a costly one, but there was more to come, so that she could go to the voters and say: "Look, we have kept our promise", because they harmonized the tax in the maritimes and everyone knows perfectly well that right now the Liberals are strong in that area of the country. So they gave a political gift, because we must call a spade a spade, of \$1 billion so that the maritimes would accept harmonization. Not just so that they would accept it, but also to sweeten the bitter pill of unprecedented unemployment insurance cuts in the Atlantic region.

These cuts were condemned by the same members who today are on the other side of the House, let us remember. These people thought the Conservative agenda with respect to unemployment insurance was scandalous and shocking, and made no bones about it. When they came to power, they cut benefits, and later reformed the system twice, both times for the worse, further cutting benefits.

As well, there are still a number of technical problems that have not yet been worked out in this reform, but we have been raising them in question period every day.

Therefore, this political compensation of \$1 billion for the maritimes is aimed at softening up voters so that Liberal members and the few ministers can go back to their ridings and say: "Yes, it is true we did not keep that promise, but look at the \$1 billion we got for the maritimes".

But who is paying this billion dollars? The taxpayers in Quebec and in Canada. They are all paying for this billion dollar political compensation package. And that is not all, because the way it has been set up, with respect to the compensation and reorganization of the tax in these provinces, there will be further compensation when it comes to equalization payments for the maritimes, given that the rate of taxation has gone down.

This could be the result. There is a possibility that equalization payments to these provinces will increase. In addition, as if that were not enough, we could keep paying for this harmonization indefinitely, all so as to avoid keeping this ridiculous promise.

• (1645)

Everyone saw just how impossible it was for the government, when it came to power with a deficit of around \$37 billion or \$38 billion—padded, of course so as to be able to say it had reduced it afterward—to deprive itself of \$17 billion in revenue and yet eliminate the deficit just like that, overnight?

That is what the Liberals were telling people. Some MPs were taken in. I remember, I was sitting on the finance committee. To continue the drawn-out GST circus, they had the Standing Committee on Finance tour the country to consult Canadians on their ideas for a replacement formula. When they came to office in 1993, they started looking at the alternatives, as if they had just realized, after the election, that they could not deprive themselves of some \$15 billion to \$17 billion without finding an alternative.

Consultations were held, and witnesses appeared one after the other, those who wanted to see the tax done away with, and those who said "Listen here, that was a dumb promise, you cannot keep it". All this just to produce a report, which was probably already written right from the start, which stated "Yes, but it would be

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preferable to harmonize the GST with the provincial taxes". I will get back to that, as behind this tax harmonization is a strong desire to centralize. It was already obvious in these recommendations that the tone had changed, that they were singing a different tune.

What was going on in Quebec at the same time? In Quebec, the provincial sales tax was adjusted annually. Finally, Mr. Campeau, who was the minister of finance, harmonized his tax with the federal sales tax. Without any compensation whatsoever, Quebec harmonized its tax.

The maritimes, which followed suit, got compensation. Now they have a problem on their hands. What will they do if Ontario harmonizes now? What will they do if the western provinces harmonize now? Are there likely to be other billion dollar gifts? This may be the promise that will have cost Canadian taxpayers the most in a very long time. How far will they go with this madness of very dubious promises that weigh heavily on Canadian taxpayers?

Where are they going? They do not really know. Moreover, there is an injustice. If one province receives compensation, why not all of them. Those who acted first are penalized. The little measure to sweeten the pot is the removal of the tax on books. Just a minute. That is not the case. It is for institutional purchases. Individuals must not think that there will be no more tax on books. They will get a surprise. With Christmas coming, they will discover there is no change.

What harmonization with the federal government means is that the federal government will collect taxes for everyone, including Quebec. The federal government likes to collect money, make the provinces dependent on transfer payments and then say: "Yes, we will give you so much money".

If things are not going well with federal public funds, transfer payments are cut. The provinces have to make painful cuts, because they manage the daily fare of health, education and social programs, which affect the public. The federal government is above all that and continues to waste money left, right and centre and to spend it, as we have seen in the case of the Deputy Prime Minister, on endless political spectacles. I have no doubt that voters, and I will conclude here, will remember this come the next election campaign, and there will be talk of the famous Liberal promises.

I will be keen to see how they go about trying to be credible the next time. Everyone will remember the GST and everyone will remember the other promise not kept, the one that is even more important, that of the jobs they never delivered. We can hardly wait to meet them along the next election campaign trail.

The Acting Speaker (Mr. Milliken): Order. It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Notre-Dame-de-Grâce—International Court; the hon. member for Frontenac—asbestos industry; the hon. member for the Battlefords—Meadow Lake—child poverty.

[English]

Mr. Paul Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, October 1993 was a significant time for all Canadians. It was when a majority of Canadians elected a Liberal government after nine years of the Tories.

The Liberals promised this and they promised that. At every campaign meeting Liberal candidates would be waving their red book, saying a Liberal government would fulfil all its promises and put the country back on its feet.

• (1650)

Historically the Conservatives are known as the Tories and the Liberals are known as the Grits. With respect to the GST and all of the governance in fact that we have ever had from this country it is Grit or Tory, same old story.

Canadians elected the Liberal government because it promised to scrap, kill and abolish the GST. Now we have Bill C-70 which is not about scrapping the GST but about harmonizing it.

In the 1993 election campaign the Liberals were desperately searching for that one hot button item to woo the voters. They found it. It was the GST. When a Liberal candidate spoke about getting rid of the GST they always received a positive reaction from the audience. Unfortunately—

[Translation]

Mr. Laurin: Mr. Speaker, I am quite sure that what my Reform colleague has to say is interesting, therefore I believe we should be as many as possible to listen to him, and I call for a quorum count.

The Acting Speaker (Mr. Milliken): I will ask the Clerk to count the members present.

And the count having been taken:

The Acting Speaker (Mr. Milliken): Indeed we do not have a quorum. Call in the members.

• (1655)

[English]

And the count having been taken:

The Acting Speaker (Mr. Milliken): I see a quorum. Resuming debate, the hon. member for New Westminster—Burnaby.

Mr. Forseth: Mr. Speaker, before the last election the Liberals knew full well what they would do with the GST. They knew that scrapping the goods and services tax would not be an option. They knew they would not be able to come up with an equal amount of revenue, yet true to Liberal form they said that they would abolish it.

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Now members of this government are trying to say they never said scrap, abolish or kill the GST, that they said harmonize or streamline. If this government never used the words scrap, abolish or kill then why did the Deputy Prime Minister resign her seat? Why did the member for York South—Weston leave the Liberal caucus? Why did the member for Broadview—Greenwood support the member for York South—Weston for sticking to his principles? Because they all knew they were wrong. They knew full well that their constituents did not elect them to harmonize the GST.

The member for York South—Weston did the right thing by keeping his promises to his constituents. As is the true Reformer style, that member voted the wishes of those who elected him. Now it seems this independent member wants to walk back across the floor to join his Liberal colleagues.

Today it was reported in the Montreal *Gazette* that the same member said: "That issue is over and done with. I've made my point and I don't intend to speak to that issue again". I remind the member that the issue of the GST will not be over as long as the Liberals are in power. And they confirm it again today with Bill C-70.

Liberal members and all Liberal candidates will have to go into the next election and explain to all Canadians why the GST is still there.

• (1700)

In Ontario, Liberals are going to have to sell the electorate on harmonization when Ontario premier Mike Harris says he has no interest on harmonizing the GST with the provincial tax. Whenever Harris has been asked about the possibility of harmonizing the taxes, he firmly states that the federal harmonization plan would cost Ontario consumers between \$2 billion and \$3 billion a year. Ontarians are not going to buy the Liberal harmonization promises no matter how it is sugar coated.

Manitoba premier Gary Filmon says that the harmonization is "a bad deal for Manitobans". He also says what the government "cannot do is help us with the transference that takes place off the backs of businesses and on to the backs of consumers. Consumers in Manitoba would have to pick up \$300 million a year of the burden. It just doesn't work. It is a bad deal".

The same words are echoed by the Governments of Saskatchewan, Alberta and British Columbia. In fact, these provinces are not even willing to discuss the proposal with the Prime Minister.

Bill C-70 is a bill that deals specifically with the provinces on the east coast. This bill is not going to change the tax in my home province of British Columbia so when and if Bill C-70 is given royal consent, my constituents are still going to be paying the GST.

This bill is not about harmonization or streamlining. It is about failing to follow through on a promise. With Bill C-70, the Liberals need the support of provincial governments. If they had proposed this plan in the last election, Canadians would have soon discovered that such a plan would not work. Had the Liberals followed through on their election promise, provincial support would not have been necessary. I guess that provincial governments would have loved seeing an abolished GST.

Canadians were cheated in the last election concerning that kind of promise. There is no other way to say it. Putting everything into practical terms, the Liberals promised that they would give back money to Canadians to alleviate a personal tax. Now, over three years later, Canadians have not received their share.

However, there is a solution and the solution is not too difficult to achieve. What Canadians need to do is get rid of the party of dead promises and elect a party that will follow through on what it says. The Reform Party is the only party that will make promises which can be kept. We are not about using hot button issues simply to attract a vote for the short term.

I really wonder if the east coast residents know what they will be getting with a harmonized tax. Do they know that they will be paying more for children's clothing, funerals, books, auto repairs, electricity, gasoline, home heating fuel and even hair cuts? Probably not. Consumers are going to be hit hard by the passage of Bill C-70.

I was told recently that the Investment Property Owner's Association tabled a report in the Nova Scotia legislature which states that renters can expect to shoulder some of the higher operating costs that will hit landlords with a harmonized GST. Again the government is going to go after those who have lesser incomes, all for the sake of some political expediency. My only hope is that the east coast media gives these people the facts about the implications of harmonization. However, my fear is that the Liberal media will say very little about it leaving the east coast residents in the dark.

The Canadian Real Estate Association says that a harmonized sales tax will push up new housing prices on average by about \$4,000 in Nova Scotia and Newfoundland. In New Brunswick, new housing prices are expected to climb as much as \$3,300. In fact, the Halifax Chamber of Commerce is predicting that municipalities are going to raise property taxes all because the eastern provinces were bribed into the harmonization deal.

The Liberals have been speaking about how they never said this and never said that during the campaign. I am not going to stand here and accuse individual members of what they said because I was not present during each of their campaigns or following them door to door as they went knocking. However, I will tell constitu-

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ents in each federal riding to make their own accusations. They remember what was said.

I want to offer the House some comments by members with regard to the GST. I think Canadians will get the idea of what the majority of Liberal members meant during the 1993 election.

For example, the member for Mississauga West, referring to a reply from a Department of Finance letter which said that Canadians were getting used to the GST, said: "If anyone believed that I do not think they are in touch with reality".

The member for York South—Weston commented that: "I hope we do not try to hoodwink people into thinking our commitment was contingent on the provinces agreeing to harmonize their taxes with the GST. A good number of my colleagues feel the same way. The gun control protest will appear to be a nursery school tea party if we do not fulfil that commitment on the GST".

Bill C-70 will not be accepted by Canadians. The only bill that Canadians will accept is the one that completely gets rid of the GST. But the government does not have what it takes to follow through on its promises. The Prime Minister expelled the member for York—South Weston for voting no confidence. I hope that the Prime Minister and his party will be prepared to have the Canadian people vote no confidence in the next election and instead vote for a party that will bring integrity and honesty back into government.

• (1705)

The Minister of Finance has publicly admitted that the government made a mistake in promising to scrap the GST. Yet government members continue to say that no mistake was made. Government members are going in all different directions. The government is unstable and unfit to run this country. Bill C-70 is two inches thick of smoke and mirrors.

The finance minister is only fooling himself if he thinks that this bill is going to solve the GST problem. As the member from Mississauga said, if the government thinks that people have got used to the GST, then the government is out of touch with reality.

Mr. Mike Scott (Skeena, Ref.): Mr. Speaker, before I get into my remarks, my colleague from Swift Current reminds me that the official opposition is going into a leadership race and that the member for Vegreville may be resurrecting his campaign for that position.

In talking about the goods and services tax and the harmonization that Bill C-70 represents, it is obvious to anyone who has been paying attention to what has been going on for the last few years, particularly since the run up to the 1993 election and since, that this

bill is a cruel hoax perpetrated on the people of Canada, particularly the people of Atlantic Canada.

It is a political ploy designed to provide the illusion that the government and the Liberals are doing something about the goods and services tax. It was an issue in the last campaign. My colleagues have gone on all afternoon highlighting the statements, promises and remarks that were made by government members when they were running in the 1993 election.

The bill is designed to give Canadians the impression that the government is trying to make good on an irresponsible promise it should never have made and ought to have known better. I certainly believe that there are many members opposite, including the Prime Minister, as the evidence shows, and including the finance minister, who knew better than to make a promise they could not keep. They knew at the time they could not keep that promise but they went ahead and made it anyway in order to attract electoral support and to convince Canadians to vote Liberal in the last election.

They knew full well the deep resentment that Canadians held for the Conservatives for bringing in the goods and services tax. They knew what a hot button issue it was. They said: "Vote for us, folks, and we will get rid of it". They had no intention of doing that. As a matter of fact, they knew it could not be done. Any responsible Liberal knew it could not be done, but they went ahead and promised it anyway.

Now we have shifted away from kill, abolish and scrap, which was the election promise of so many current MPs who were running for the Liberal Party, and now it is replace.

When I thought about what I might say today, I knew I would have to choose my words carefully. I do have respect for the Chair and for this institution. I do not have a lot of respect all the time for what the government does in the House and what certain members opposite try to say to Canadians.

I have a friend in northern B.C. who has a rather laconic way of describing people who habitually cannot tell the truth, or who habitually lie. He says that somebody who does that would rather lie on credit when they could get cash for the truth. I think that is what we are faced with here. We are faced with a government and high profile cabinet ministers who would prefer to mislead Canadians in an election campaign in order to attract electoral support when they know full well that they cannot live up to the promises they have made. It also shows that the government, time and time again, will put political interests ahead of the best interests of the country. A case in point is this harmonization bill. It is designed to create the illusion that the government is actually doing something about the GST. In fact, it is a billion dollar rip-off for the rest of Canada, those people who live outside Atlantic Canada, and it will hurt the people who live in Atlantic Canada. Many of them have already come to that conclusion.

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• (1710)

How many stories have we heard in recent weeks about small businesses having to close? They are telling the government not to proceed. They cannot possibly live with this additional tax. Consumers in Atlantic Canada know this means an additional tax burden on them. It is a hoax. It is not going to make anything better, it is going to make things worse.

Why is the government proceeding with it at this time? Why does it not come clean with Canadians and say: "We made a mistake. We should not have said that we were going to kill, scrap and abolish the GST because we cannot do it. Now, in the best interests of the country, let us balance the books. Let us get rid of the deficit and after that we will slowly start to reduce the GST until we can phase it out altogether". That is the responsible thing to say to Canadians. It is certainly what my colleagues in the Reform Party are saying to Canadians. It is what we believe.

If the justice minister will let us keep our guns, we will find a way to hunt that GST down a couple of years after we balance the books and we will kill it, but not before we balance the books and not before we eliminate the deficit.

This relates to other taxation issues, in that the government collects taxes and fees for services for specific commodities and services with the unwritten promise that those moneys collected are going to be used for the purposes which the government has identified.

For example, 60 cents out of every dollar that a Canadian spends at the gas pump goes to taxation of one form or another. A lot of it is road tax. A lot of that is collected on the basis that the moneys are going to be used to build new infrastructure or maintain existing roads and bridges. You do not have to be a rocket scientist or an engineer to see the state of Canada's infrastructure at the present time. You do not have to drive a great deal to notice the state of Canada's roads and bridges. Yet the government continues to collect hundreds of millions of dollars in fuel taxes designed for roads and bridges. Where does the money go? It goes into the big black debt hole here in Ottawa.

We cannot forget that the government of the day, that wonderful Progressive Conservative Party, which introduced the GST in the first place, said: "We are making a solemn promise. When we introduce this tax we are going to use it to reduce the deficit." Does anybody remember that? By how much did that government reduce the deficit? I do not think there is a Canadian who believes that the Progressive Conservative Party ever intended to reduce the deficit. I do not think there is a Canadian who, at this stage of the game, believes that the Liberals intended to kill, scrap and abolish the GST, even though that is what they solemnly promised to do in the last election.

Mr. Mitchell: There is no question that you cannot read. Read the red book. Read what it says.

Mr. Scott (Skeena): Mr. Speaker, I hear a bit of noise coming from across the way. I see a sea of agreeable faces, but there are two or three who do not agree with me over there.

There are other issues. The fishing licence fees that were imposed on Atlantic Canadians was nothing more than a \$50 million cash grab on the part of the Liberal government. The Liberals say this is an access fee. It is in return for the services that are provided to fishermen. What services have they provided? It is nothing more than a tax grab to feed this black debt hole here in Ottawa. There is no intention to match the funds that are received for specific purposes and actually see that those funds are spent in those areas.

• (1715)

In closing let me say one more time that it is time for this government to come clean. It is time for this government to tell Canadians "we should not have made this promise, we are sorry that we have lied to you, we are going to abolish this idea of harmonization".

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

Some hon. members: Question.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Milliken): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Milliken): At the request of the opposition whip, the vote on this matter is deferred until Monday at the ordinary hour of daily adjournment.

[*Translation*]

Mrs. Daphond-Guiral: Mr. Speaker, on a point of order. Would the House agree to call it 5.30 p.m.?

The Acting Speaker (Mr. Milliken): Is there unanimous consent for calling it 5.30 p.m.?

Private Members' Business

Some hon. members: Agreed.

PRIVATE MEMBERS' BUSINESS

[Translation]

AN ACT TO REVOKE THE CONVICTION OF LOUIS DAVID RIEL

The House resumed from November 22, 1996, consideration of the motion that Bill C-297, an act to revoke the conviction of Louis David Riel, be read the second time and referred to a committee.

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, I am honoured and humbled by this opportunity to speak to Bill C-297, the purpose of which is to revoke the conviction of Louis Riel for high treason.

When I studied the history of Quebec and Canada, one of the saddest events was undoubtedly the conviction and subsequent execution of Louis Riel.

Members will recall that this happened shortly after Canada became a confederation, the Canadian Confederation, at a time when it had decided to expand its borders.

• (1720)

It was feared that the Americans, who had just bought Alaska, would take possession of western Canada and that Canada, as it existed at the time, would not be able to connect with British Columbia, a new province at the time, to form a country.

As is often the case, the whole issue started with a deal between Canada and the Hudson's Bay Company. In order to extend its territory, Canada reached an agreement with that English company, for a certain amount of money. There were individuals living in western Canada in those days, but they were mostly Metis. They had formed a people. John A. Macdonald's central government wanted to retain control at any cost.

Louis Riel is a great Canadian, a great patriot, a man who fought for his people and his language in that environment. Louis Riel heard the cry of his people and defended them. We all remember that Louis Riel was born in St. Boniface, on October 22, 1844. He was born in western Canada. His father, Louis Riel, was a Metis, and his mother, Julie de la Gimonière, was the first daughter to be born in a family of white settlers in western Canada. In 1858, he studied at the Montreal seminary, so he knew French very well. Then he went back home. They say he did not have the calling to be a priest, even though he came from a very religious family.

In those days, the federalists, the Ottawa centralists, wanted western Canada to remain a territory, under the control of Ottawa, for as long as possible. People who lived in that region did not agree. Louis Riel founded Manitoba as we all know.

The Ontario Anglo-Protestants wanted to see Louis Riel hang. Louis Riel surrendered in 1885. After several battles, he surrendered on May 15, 1885. His trial was riddled with irregularities, everybody agrees on that. The trial was held in Regina and the jury was made up of six English speaking jurors.

Had the trial been held in Winnipeg, the outcome would have been different. In Winnipeg the jury would have consisted of six French speaking jurors and six English speaking jurors. At that time Manitoba was already a province.

In Winnipeg, the presiding judge would have been a Supreme Court judge, whose independence is guaranteed by law. The Regina judge could be removed at any time by the federal government, and that government wanted Riel's head.

On November 16, 1885, at the age of 41, Louis Riel, a hero of the Metis people, was hanged. In December, after much effort by his family, his body was moved to Saint-Vital, in Manitoba, and buried in the cemetery of St. Boniface cathedral. Less than a week after the hanging, on November 22, 1885, a crowd of some 50,000 gathered on the Champs-de-Mars in Montreal and demonstrated. This was the start of the two solitudes in Canada.

• (1725)

While people in Ontario were delighted because a common criminal had been executed, the Premier of Quebec, Honoré Mercier, was saying in Montreal: "Our brother, Louis Riel, is dead". There were riots in Montreal, despite the fact that people were very religious, strong believers. There were riots and speeches. The government had been asked to show mercy, but he refused. Even the six jurors had said: "Guilty, yes, but we request clemency". They were ignored.

This sad event was probably the beginning of the end of the good relations between the two founding peoples of Canada. In 1867, the Fathers of Confederation and the others who seemed to agree soon realized that Canada had misled them, because it was expected at that time that the new territories, the new future provinces would be bilingual. We know this is not what happened.

Now, rights are given when it may be too late. But, at that time, Honoré Mercier of Quebec, and people believed that Canada would be bilingual.

In concluding, I would like to read you the last letter that Louis Riel wrote before he died. This is Louis Riel's will. Of course, I will read it to you, and we have to go back to that time to fully understand that Louis Riel held no grudges.

This is Louis Riel speaking: "May my burial be simple. May it be attended by the comforts of religion. Far from me, far from my mortal remains are the desires for revenge, the reprisals. I forgive those who have committed so many injustices against me. I pray that my heart will be filled with the perfection of forgiveness and that all my trespasses will be forgiven, as I forgive all my enemies,

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my adversaries, my opponents, my antagonists of all allegiances who trespassed against me. I therefore name Reverend Father Blais André as executor of my wishes as to my burial, so that my body may be carried through his care to the hospital to be laid in state, and from there to St. Boniface, to be buried beside the beloved remains of my dear beloved papa. May my body rest beside his”.

And it is signed: Louis David Riel.

This is an injustice done a very long ago. But I think that, when a society has the courage to admit the errors of the past, that society is progressing. Louis Riel was undoubtedly the founder of Manitoba. He was a man who left his mark on his time. He was a man who fought against the government in Ottawa, a centralizing government even in those days.

I think that, today in this House, we, on all sides, must recognize the greatness of that man, the man who defended francophonie in America.

[*English*]

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, I am honoured to have the opportunity to speak on this private member's bill. While I very much support the idea of honouring Louis Riel and would be happy to participate in ceremonies and other ways of honouring this great man, I do not support the premise of this bill.

Many Canadians do not appreciate that Louis Riel was an educated man. He was educated in theology and in law. He was fluent in English, French, Greek and Latin. He was an eloquent and polished orator and a statesman who directed the negotiations with the Government of Canada on the entry of Manitoba and the Northwest Territories into the Dominion of Canada. Louis Riel, in spite of what the Bloc seems to suggest to us, was a great believer in Canadian unity and in one country which would include, of course, the province of Quebec and the western provinces. I take great pleasure in addressing the House on this very important issue. I believe that all members of the House would agree that Louis Riel made an important contribution to the building of this great nation.

• (1730)

The government has not ignored the importance Louis Riel has played in our nation's development. We have taken steps to advance the interests of Metis and off reserve aboriginal people and to honour Louis Riel's place in history.

The Constitution Act of 1992 recognizes the existing aboriginal and treaty rights of the Metis. The government has issued commemorative stamps to honour Louis Riel, through the Social

Sciences and Humanities Research Council of Canada it has funded the publication of the collective writings of Louis Riel which was published in 1985 by the University of Alberta Press to commemorate the anniversary of the North West Rebellion.

On March 10, 1992, the House of Commons passed a special resolution honouring Louis Riel as a founder of Manitoba and recognizing his contribution to the development of western Canada and, therefore, to the development of the entire country. This resolution recognized the unique and historic importance of Louis Riel.

The government has funded cultural performances over the years, including the very successful Batoche Days in Batoche, Saskatchewan. That festival has been held annually for over 25 years in memory of Louis Riel.

In May of this year a statue of Louis Riel was unveiled in Winnipeg on the grounds of the Manitoba Legislative Assembly. The statue was funded by the federal government. It is situated along the Assiniboia River, just west of the fork where the Assiniboia and Red Rivers meet. This is a perfect spot for a statue commemorating Riel, a statue that I visited recently when I was in Manitoba. He was a founding member of western Canada and these two rivers represent the major trading routes to the west.

The Minister of Foreign Affairs and member for Winnipeg South Centre, when unveiling the statue, proudly announced Louis Riel as a father of Confederation for all Canadians. The Metis people can be proud of Louis Riel's accomplishments. We cannot and will not forget the importance place of Louis Riel in Canadian history.

This place is not diminished by his conviction. He is remembered as a builder of our nation. He had a vision of the proper place of Metis people and other people who settled in the west in Confederation. He represented all people of the west. He directed the negotiations with the Government of Canada of the entry of Manitoba and the Northwest Territories into the Dominion.

Many things have already been done and there are many more positive things which can be done to carry on the work started by Louis Riel. Discussions will continue with the Metis through existing processes such as the bilateral process with the Metis National Council and the tripartite self-government negotiations with Metis organizations at the provincial level.

I cannot accept the premise on which this bill was put forward by the hon. member for Rimouski—Témiscouata, when she asserted the Louis Riel was hanged: “because he was a Metis, because he was a francophone and because he stood up for a distinct society”. This statement and the sentiments behind the tabling of this bill do not do justice to the memory of Louis Riel. They are incompatible

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with this purpose and to use his memory as an excuse to stir the pot in terms of national unity is in my view, unacceptable.

Louis Riel was not only an eloquent, articulate defender of Metis rights, but he was a defender of the rights of all members of the community, including aboriginal, non-aboriginal, anglophone and francophone. He defended the rights of all people. Louis Riel did not just defend the rights of his own group, of the Metis. He championed the rights of all minorities as well.

Riel would not agree with the premise behind the tabling of this bill and we should find other methods to honour the memory of Louis Riel. We must look for solutions with the support of the Metis people of Canada.

Louis Riel had a vision of a unified country in which all people would participate equally. Along with the Metis people, we will continue the work of Louis Riel in ensuring that all people are equal members have an equal say in our society. When we contemplate honouring Louis Riel we must keep in mind the society that he fought hard to protect, a society where all people would live in shared dignity and mutual respect.

• (1735)

I urge the government to continue to work closely with Metis leaders and the family of Louis Riel to find appropriate and meaningful ways to celebrate his contribution to Confederation.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I am very pleased to rise in this House today to speak to Bill C-297, an act to revoke the conviction of Louis David Riel.

The Bloc Québécois is once again addressing this issue in the House because we believe it is crucial to resolve the historical injustice sullyng to this day the memory of Louis David Riel. It is important to put an end to the paradox surrounding the status of Louis Riel.

In fact, still today, in 1996, Riel legally remains a criminal who was sentenced for high treason in 1885. But at the same time, the House of Commons recognizes Riel as one of the Fathers of Confederation, since unanimously passing a motion on March 10, 1992.

I think we have to render to Riel what is Riel's. Quebecers and Canadians must be made aware of Riel's initiatives, since they reflect the courage and the will of this man to fight for the basic rights of his people.

Of course, this bill will not bring Louis Riel back to life, but justice would have been done, because after being sentenced for high treason by a kangaroo court, Riel was hanged in November 1885, at the age of 41.

Hon. members will have to agree that we cannot in all decency acclaim Louis Riel as a national hero while ignoring his ignominious conviction for high treason that has yet to be revoked.

If I could, I would like to give the hon. members some historical background so they can better understand the scope of the injustice done to Riel. By reviewing the 1885 events, we can see how important this conviction was for the relations between central and western Canada.

First, it is, of course, important to realize that the majority of those who were called Metis at the time were a mix of aboriginal people, coureurs de bois, employees of the fur companies and European-born trappers who had as their main characteristics the fact that they were French speaking and Catholic.

Representing more than 80 per cent of Manitoba's total population in the 1870s, the Métis had their way of life disturbed by the arrival of successive waves of settlers from the east. With the help of an unscrupulous Conservative government, these new settlers kept the best lands for themselves and took political control of the whole region.

From that moment on, the Métis started to mobilize against the invader. They followed a man known for his commitment to the cause of the Métis people. That man was Louis David Riel. Riel, who had studied law and had been secretary of a national Métis committee in 1870, was known for having worked on the establishment of a list of rights that set out the terms for Manitoba's entry into the Canadian Confederation.

Confrontations between Ottawa's envoys and the Métis people culminated with the death of a land surveyor killed by order of a national council then headed by Riel. The militant Anglo Protestants never forgave Riel for that.

However, in Quebec, Riel became a mythical figure, a hero and a defender of the French culture and the Catholic faith.

Despite being exiled, Riel was elected to this House for the first time in 1873 in a byelection and was re-elected in 1874. He was expelled from the House by means of a motion brought forward by an Orangeman. That was the start of many years of wandering, depression and confinement for Riel.

I want to say this because our goal is not to change or correct history, but to show all the nuances that will help people better understand our history. Louis Riel did not lead an exemplary life. Like everybody else, he made mistakes. In March 1885, in a last attempt to defend the rights of the Métis people, he and his men rose up in arms to form an interim government in Batoche and demanded the surrender of Fort Carlton.

After a battle that lasted a few months, he was forced to surrender. He was executed in November 1885, and his execution gave rise to the heated debate that is still going on today and created a very deep gap between francophones and anglophones.

• (1740)

The francophones who had strongly supported Riel demonstrated against the decision, which they considered revolting. Over 50,000 Montrealers, a third of the city's population at the time, took to the streets of centre town to express their outrage.

But the harm was done: by putting the Metis leader to death, the central authorities of the day had managed to silence the claims of a whole nation. These details are important, especially in view of the 4,000 page report just released by the Royal Commission on Aboriginal Peoples.

It contains recommendations relating to Metis claims. In the fourth volume, on page 244, the commissioners recommend actions aimed at preserving and developing the Metis culture which is becoming extinct. Considered today as being among the poorest of aboriginals in Canada, the Metis have no territory nor political representation. Seen in that perspective, the elimination of Louis Riel certainly allowed the Canadian authorities of the day to reach their despicable goal.

This injustice to Louis Riel must be put right. Let us remind the Liberals who are now the government that the Liberal leader of the time, then the Leader of the Opposition, Sir Wilfrid Laurier himself, had supported Louis Riel and the cause he was standing for. He stated, and I quote: "If I had been on the shores of the Saskatchewan river, I too would have raised my rifle."

The status of Louis Riel is so ambiguous today that even the Department of Canadian Heritage has recognized him as a person of national historic importance since 1956. He is described in the records of that department as "Metis leader, the Father of Manitoba, and leader of the Northwest rebellion in 1885". But in the eyes of the law, he is still a traitor.

In 1985, the one hundredth anniversary of Riel's execution, several leading political figures in the House and in the Senate spoke, and I would like to quote some of their remarks. Liberal senator Joseph-Philippe Guay said: "Riel has become a symbol, first of a linguistic and cultural minority whose rights to survive have long been ignored and are, to this day, still in jeopardy—"

Senator Guay acknowledged: "Riel was not beyond reproach", but he added: "If we remember him today, it is because the fight to which he devoted his whole life is largely still ours today".

In 1985 also, the present heritage minister and Deputy Prime Minister made a statement on this occasion. I quote from the November 28, 1985 of *Hansard*:

—I now ask that this Conservative Government exonerate the victim of the conspiracy of another Conservative Government—Letters and diaries of the participants and observers indicate unethical tactics to obtain political benefits from the rebellion—The reason for the Macdonald Government's promotion of a common riot to a full blown rebellion was to win additional funding for the near

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bankrupt Canadian Pacific Railway. Louis Riel, who died unnecessarily, deserves to be exonerated by the Government and recognized as a victim of wrongdoing.

That is what the current Deputy Prime Minister of Canada said.

Today, the Minister of Canadian Heritage and Deputy Prime Minister has to face up to the principles she was advocating then, since her party now forms the government. If the government is really serious in wanting to act to settle the Riel issue once and for all, as a great number of members tried to do throughout the history of this country, it must do so now.

I want to reassure members of all sides that the only reason the Bloc Quebecois introduced this bill today is to put an end to this injustice, to give this House an opportunity to be consistent and to allow Louis David Riel to finally rest in peace, more than 110 years after his death.

Since Riel was hanged, Liberals, Conservatives, New Democrats as well as Bloc members have spoken in this House to have Louis Riel's conviction revoked.

Concerning this bill that we introduced today, we were very sad to read all the news reports, and the letters which were brought to our attention.

[English]

Mr. Speaker, I am anxious to clarify for everyone that the Bloc Quebecois has not proposed this bill in order to make partisan political gains. Nor is this an attempt to rewrite history according to one bias, ignoring everything else. No, the objective of Bill C-297 is simple. It is to clear the name of Louis Riel and give him the recognition he deserves.

• (1745)

[Translation]

Consequently, I urge all members of this House to support Bill C-297. The ambiguity surrounding this Metis leader has existed for too long now. Now is the time to give him the recognition he deserves for being the hero he was and still is.

Too many young people are still learning in school that Riel was nothing more than a rebel and an outlaw. This is tragic and appalling. This great man, who helped found Manitoba and defended the rights of his people, will get the recognition he truly deserves in the history of this country only if we revoke his conviction.

[English]

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I would like to speak as a westerner for a few moments about Louis Riel.

A lot of people do not realize that Louis Riel was born in the west and spent most of his life in the west and that he was a staunch federalist, which makes me wonder to some extent why members

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of the separatist party in the House are taking this opportunity to press their motion.

He was not a violent man but was caught up in the whirlwind of events that were beyond his control. Actually he partially controlled them. Had it not been for Louis Riel's influence on Gabriel Dumont, there would have been a lot more deaths in the north-west rebellion. It was Riel who restrained Dumont from using guerrilla tactics against Middleton's troops. On that basis alone, the man should have been shown more mercy and compassion when he was tried.

There is no question that the trial was unfair. However that was 110 years ago. I do not believe that any good purpose is served by this attempt to fudge over one of the darker episodes of our history. It happened. It is over. I would take this same attitude to any historical event. It serves no purpose. It does not help Louis Riel in any way for us to stand in this House and say he was not guilty. The deed was done. History is history. I think there are other things that this House could attend to.

Mr. Peter Thalheimer (Timmins—Chapleau, Lib.): Mr. Speaker, it is with pleasure that I respond today to Bill C-297.

Bill C-297 would revoke the conviction of Louis Riel and that is why I support the bill. History has shown that the conviction of Louis Riel was wrong in law and it was wrong in fact.

Let me say at the outset that I view Louis Riel as an important contributor to Confederation. His conviction for high treason in 1885 has been the subject of controversy for many years. Louis Riel was an important figure in the development of our country and to the nation that it is today. He worked endlessly for the Metis people of the west. He also worked for all settlers of the territories that have now become the provinces of Manitoba and Saskatchewan in our fine country.

During the late 1870s to the mid-1880s the west was going through significant changes. Aboriginal people, English speaking and French speaking Metis, and many other settlers from various parts of the world resided in the west. These people of diverse backgrounds banded together to advance their request to the government for the maintenance of their rights. These settlers felt that either there was no response to their needs or the response was too slow. Occasionally similar feelings are advanced by various organizations and groups even today.

• (1750)

They were right to believe that the government of the day was slow in responding to the requests of the residents of the west who asked for reasonable matters to be addressed, such as appropriate surveys for their settlements, improved transportation so they could move products to and from markets, and other useful services normally provided by a government to its citizens.

The French speaking and English speaking Metis, along with the settlers of many nationalities, sent numerous petitions and delegations to Ottawa to ask the government to carry out its responsibilities. After what the people of the west viewed as many years of neglect and without recourse against the encroachment of others, the people asked Louis Riel for his assistance in negotiating with the government.

Eventually the Metis of the west led by Louis Riel took action to secure their interests. Several military expeditions were dispatched to the west by the government which led to an unfortunate turn of events and indeed loss of life. As we know, Louis Riel eventually was hanged.

Riel was an eloquent and articulate defender of Metis rights as well as those of all members of the community, whether aboriginal, non-aboriginal, anglophone or francophone. Louis Riel was an educated man. He was fluent in English, French, Greek and Latin. He was once a polished statesman who directed the negotiation with the Government of Canada on the entry of Manitoba and the area then known as the North-West Territories into the Dominion of Canada.

Under the leadership of Louis Riel the Metis of Red River adopted a list of rights in 1870. It is important to recall that this list of rights was the primary basis upon which Louis Riel guided the negotiations with the Canadian government for the entry of the territories into the Dominion of Canada.

Louis Riel negotiated the terms for the admission of Rupert's Land and the North-Western Territory into the Dominion of Canada. A delegation of three was sent by the provincial government to Ottawa to present the terms to the Canadian government. This list was essentially the terms of union and formed part of the Manitoba Act.

The list provided for guarantees for Metis people who were then in the majority, including schooling and religious rights as well as recognition of the French and English languages. The rights of other citizens were also clearly set out. This was Louis Riel's vision of a united country with each citizen participating on an equal basis.

After the province of Manitoba entered into Confederation the citizens of the riding of Provencher in the province of Manitoba elected Louis Riel on three occasions by acclamation to the House of Commons. Because of the circumstances, Riel was unable to take his seat in this House.

Louis Riel devoted his life to the interests of the Metis people. He understood their concerns. He had a vision of the proper place for the Metis people and other westerners within Confederation. These people blended together to advance their request to the government for the maintenance of their rights.

In introducing the bill, the hon. member commented that Riel was hanged because he was Metis, because he was a francophone and because he stood up for a distinct society. That was not Louis

Riel. If he were here today I do not believe he would agree with that statement.

Louis Riel stood for equal rights for all Canadians. He believed that the Metis were entitled to equal rights and full participation within Confederation. The Metis at that time in history formed a substantial part of the population. Louis Riel championed for the rights of the minority groups. He would be saddened today by the divisive approach taken by members of the Bloc on this issue.

Louis Riel's contribution to this country has been recognized by the government over the years in a number of ways. I support the efforts of the government in seeking ways to recognize his positive achievements.

• (1755)

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I would like to take this opportunity to recall that in Kamouraska—Rivière-du-Loup, in a house that belonged to Sir John A. Macdonald, we can see the telegraph on which the telegram was sent to order the hanging of Louis Riel. The telegram said simply: "Hang Louis Riel".

Today, the House of Commons has an opportunity to make amends for this blot on our history, and I hope we will make it unanimous.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Milliken): All those in favour will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Acting Speaker (Mr. Milliken): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Milliken): Call in the members.

And the bells having rung:

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The Acting Speaker (Mr. Milliken): Is there unanimous consent to defer the division until Tuesday at 5.30 p.m., after Government Orders?

Some hon. members: Agreed.

[English]

The Acting Speaker (Mr. Milliken): Is there unanimous consent that we call it 6.30 p.m.?

Some hon. members: Agreed.

ADJOURNMENT PROCEEDINGS

[English]

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

INTERNATIONAL COURT

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Mr. Speaker, on November 8 I asked the government when it would amend Canadian legislation to facilitate the establishment of an international criminal court which is under active consideration at the United Nations. Such an international criminal court would try individuals who commit serious violations of human rights and crimes against humanity, including genocide and ethnic cleansing.

I acknowledge that the Canadian government is a strong supporter of the international criminal court, but as I said, the establishment of such a court requires amendments to our domestic law to permit the referral of accused Canadians who might be indicted by the new court.

Ever since the Nuremberg trials following World War II, which tried and judged Nazi war criminals, there has been a movement to establish a permanent international criminal court. Such a court should not be confused with the International Court of Justice at the Hague, known as the World Court, which judges disputes between nations.

The international criminal court would deal with individuals charged with massive violations of human rights, such as the accused at the Nuremberg trials and now those accused before the special tribunals for Yugoslavia and Rwanda. A permanent international criminal court would give credibility and provide deterrence to the process.

The Nuremberg court and the special tribunals in Yugoslavia and Rwanda were set up post facto. In the case of the Nazi war criminals, the court was set up by the victors of the conflict. It would be much better to have such courts and their rules set up permanently in advance as is now proposed at the United Nations.

• (1800)

I await the government's answer. I know it supports the international criminal court but I would like to know when it will bring

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forward legislation which would give impetus and give some movement to the whole issue at the United Nations.

Mr. Ron MacDonald (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, the hon. member for Notre-Dame-de-Grâce has asked whether the government intends to amend Canadian law to permit the referral of an accused person to the new proposed international criminal court which is currently being debated by the general assembly in New York.

Canada has been a leading advocate in support of the establishment of a permanent international criminal court that would try major international crimes, such as war crimes and crimes against humanity, and which would obviate the need to establish ad hoc tribunals as has been done for the situations in the former Yugoslavia as well as Rwanda.

In order to answer the question posed I believe that it is first necessary to review the history of this issue before talking about the need or timetable to enact legislation in Canada.

In December 1994 the general assembly established the ad hoc committee on the establishment of an international criminal court to review the major substantive administrative issues arising out of the International Law Commission's draft statute for an international criminal court. The report of the committee was considered by the 50th session of the general assembly in 1995 which decided that a preparatory committee should be struck with a view to preparing a widely acceptable consolidated text of a convention for an international criminal court. This would be the next step toward holding a diplomatic conference of plenipotentiaries to finalize the convention.

The preparatory committee on the establishment of an international criminal court found many major issues that remain to be resolved. The general assembly is currently considering the interim report of the preparatory committee. It is likely that the general assembly will reaffirm the mandate of the committee to continue its work in 1997 and 1998 with a view to having a diplomatic conference in 1998 to conclude the final negotiation.

Canada has been a leading advocate of a permanent international criminal court but it is only after a final text of a convention is concluded, when we will know what is legally required of us, that Canada can enact legislation designed to implement the convention that will establish the court. At present the UN does not even have the complete comprehensive draft convention.

When the time comes to enact legislation in order to implement the future international convention that would establish the court, let me assure this House that Canada intends to enact the necessary legislation quickly. However, at this time it is premature to be enacting legislation. We are still at least two years away from the final negotiations that would conclude the international convention on the creation of the court.

There are many complicated questions to be resolved by the UN, not the least of which are defining what surrender process will be used and defining the role of national laws in relation to obligations to assist the court.

On the domestic level Department of Justice officials are already considering what amendments would be necessary in future to provide the requisite assistance to the proposed international criminal court. Internationally we are playing an important role on the UN preparatory committee.

At the preparatory committee Canada is attempting to ensure that the scheme that is eventually adopted will be flexible enough to accommodate and promote co-operation to the court from all legal systems.

In summary, this government is working toward the creation of an international criminal court domestically and at the United Nations. I would like to thank the hon. member for his question on this important issue at this time.

[Translation]

ASBESTOS INDUSTRY

Mr. Jean-Guy Chretien (Frontenac, BQ): Mr. Speaker, on Monday, I questioned the Minister for International Trade about the Liberal government's plans regarding the filing of an official complaint with the World Trade Organization.

For months and months, this government has been boasting about everything being under control. It certainly looks like this attitude is taking away any hope the industry may have had to see France reconsider its decision to ban asbestos on its territory.

This will have an tremendous impact on my riding, not only on the asbestos industry, but also on the development of the community as a whole. The government does not seem to realize how worried people are in my riding; all it does is send us ministers on a purely election-oriented mission. Could the minister tell us if cabinet issued some secret directions not to go to the WTO? We all know about this government's inclination to turn to the courts when in a tight spot.

Beyond the rhetoric and lip service we have heard from the minister and the Prime Minister, does the government have any real plan of action?

• (1805)

I would like to know the profound convictions of cabinet on this unique mineral, not only because of its extraordinary properties, but also because it constitutes one of the jewels in the crown of the Canadian mining industry.

It is high time the federal government made amends to the citizens of Thetford, Black Lake and the whole asbestos mining region. It made a commitment to intervene on the international level to rehabilitate asbestos, particularly chrysotile asbestos.

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Perhaps the time is ripe for it to start promoting it on its own territory, even here on the Hill.

How can it be assumed that the asbestos that is sealed inside the walls in the buildings on Parliament Hill is dangerous? Yet that is what is suggested in the numerous internal memos we receive in our offices concerning the major renovations that are scheduled, including decontamination of the buildings.

Despite all the respect I have for this House and for cabinet, this whole scenario suggests to me that the Liberal government's famous action plan is nothing more than smoke and mirrors. The government, and its Minister for International Trade, are improvising daily in this matter, inventing things as they go along.

In this connection, I could produce before this House numerous documents setting out the position of the current government and the previous one concerning the government's true psychosis about the harmful effects of asbestos. My predecessor, the hon. Marcel Masse, was one of the most vocal supporters of chrysotile fibre during his entire political career in Ottawa. His statements in favour of asbestos were decisive for our industry.

Personally, I strongly condemn the lack of leadership shown by the Minister of Natural Resources, who proved unable to convince one French MP, Christian Daniel, of the safety of asbestos when used properly. Imagine, if she is unable to convince one lone MP, how could she hope to influence the position of a whole government?

In conclusion, I would ask the minister to apprise us of the government's intentions regarding the promotion of chrysotile fibre, especially with regard to the use of asbestos ore in Canada. The minister should take note of my question, I intend to follow through with it. People in the asbestos producing area are tired of ministers coming to Thetford with empty promises. As far as I know the election campaign has not started yet. The government was elected to govern, and so it should.

I hoped the international trade minister himself would answer my question. Does he not consider this issue important enough to be present in the House and respond to my comments?

[*English*]

Mr. Ron MacDonald (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I listened with interest to the comments made by the member and I have to say that the comments are simply not factual.

The member knows full well that the Canadian government, the Minister of International Trade, the Prime Minister and the Minister of Natural Resources have taken the lead in trying to convince the French government, with respect to crystallite asbestos, that the ban it is seeking to impose is not one that is based on any

internationally accepted view of the health risks associated with the asbestos.

The member should know, because it is of concern to his constituents, that the Minister of International Trade actually visited Thetford Mines to meet with municipal officials and hear firsthand from individuals who are working in the industry and from all the stakeholders what would be the best concerted approach that the Canadian government could take, working with the Government of Quebec, the industry and the communities to come up with a concerted game plan in order to convince the French that this particular ban should be reversed.

The member also knows full well that the Canadian government is looking at its options under the World Trade Organization. We believe that the French ban may violate commitments of WTO members that ensure that technical regulations are no more trade restrictive than necessary in order to fulfil a legitimate objective.

While France may have legitimate health and safety concerns about asbestos products, a ban on such products may be more restrictive than necessary, particularly if other—

• (1810)

The Acting Speaker (Mr. Milliken): I regret to interrupt the hon. parliamentary secretary, but his time has expired.

CHILD POVERTY

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, there was a major conference in Ottawa last week. It brought together people from all across Canada who are interested in finding ways to relieve child poverty. They left knowing that the problem was well documented, but frustrated because there is little being done to deal with it.

However, there was one bright note and that was the award presented to the province of Saskatchewan and accepted at the conference by Premier Roy Romanow. The award acknowledged Saskatchewan's commitment to investing in children as a key priority and its co-ordinated approach to policy development and delivery.

Premier Romanow was also a featured speaker at that conference. He reminded us that it is the responsibility of all of us to value, protect and support Canada's children, to guide them in becoming healthy, functioning adults because it is the health and the strength of our children that will determine the future health and strength of our country.

He also reminded us of the most recent report of the Canadian Council of Catholic Bishops which said: "To think that almost one Canadian child in five lives in poverty in one of the richest

Adjournment Debate

societies in world history is nothing less than a damning indictment of the present socioeconomic order”.

In Saskatchewan, the province's action plan for children was designated in 1993 to provide a model for the development of programs and services for children and families. It not only brings together community groups, agencies, individuals and governments to collaborate and deliver services, but also links activities between Saskatchewan's human service departments. This inter-linking of departmental initiatives enables the province to better target limited resources and to develop programs that more effectively meet the overall needs of children and families.

It was this action plan that captured the attention of the child poverty community and was the impetus for the award presented to the premier last week.

But more needs to be done and Premier Romanow and most of Canada knows that the federal government must play an important role in this regard.

First, on the premier's national agenda to help reduce child poverty is a commitment to strong social programs. He emphasizes programs which address child and family poverty, but at the same time he stresses the necessity to preserve medicare and accessible quality education.

I might add that a major problem today is the federal Liberal government's insistence that \$7 billion be cut from its transfers to the provinces for health and education programs. To me this \$7 billion must be reinstated immediately.

The premier also believes that Canada must undertake a comprehensive review of the taxation system which is seen as being unfair, ineffective and not representative of current Canadian priorities. Obviously this fits well with the federal NDP's call for a fair taxation system which would see the banks and large corporations paying their fair share of taxes.

It goes without saying that our nation's children represent our nation's future. We have to take their needs into account as we plan for today's activities.

In 1989 a resolution brought forward by the then NDP federal leader Ed Broadbent to eliminate poverty by the year 2000 was passed unanimously by the members of the House. Since then 46 per cent more children are living below the poverty line. Obviously, the status quo is not working. Some aggressive action is required.

My question for the federal Liberal government is simple: When the premier of Saskatchewan and all those who care about children call for a different approach to dealing with poverty, is the minister, on behalf of the government prepared to heed that call?

Mr. Guy H. Arseneault (Parliamentary Secretary to Deputy Prime Minister and Minister of Canadian Heritage, Lib.): Mr. Speaker, as the hon. Minister of Human Resources Development and the hon. Minister of Health have indicated on many occasions, the Government of Canada is extremely concerned about the challenges facing low income families with children.

Poverty exacts an unacceptable toll on children. It often means that their physical needs for food, shelter and clothing are not met. It can result in their cognitive development being delayed compared with children in families with adequate incomes and it has long term costs for our country.

Poor children have poor health outcomes. They reach lower educational levels. They live in riskier environments and engage in riskier behaviours.

The hon. member for The Battlefords—Meadow Lake is calling for immediate action for children, but this action is already under way. The Prime Minister, along with other first ministers, has agreed that child poverty is a priority. The government is working with the provinces, including Saskatchewan, to identify ways to prevent and reduce child poverty.

To this end, a federal-provincial ministerial council on social policy renewal, co-chaired by the Minister of Human Resources Development, recently met and agreed to closely examine options for a national child benefit. A federal-provincial working group is meeting on an ongoing basis.

In addition, many provinces have demonstrated a commitment to fulfilling their responsibilities for children. British Columbia has just restructured its children's benefits and Quebec has announced its intention to refine its system. New Brunswick raised the issue in its recently delivered speech from the throne and Saskatchewan has announced its intention to introduce a provincial child benefit.

The Government of Canada is already providing important help to low income families and it is working toward finding solutions to the complex problems poverty presents. For example, the government now spends over \$5 billion on child tax benefits that are paid to over three million Canadian families and has also doubled the working income supplement provided to low income families.

In addition, the government announced in its 1996 budget a child support strategy that will protect the interests of children and ensure parents live up to their responsibilities for child support in a manner that is fair and consistent.

The Acting Speaker (Mr. Milliken): A motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until 10 a.m. tomorrow, pursuant to Standing Order 24(1).

(The House adjourned at 6.16 p.m.)

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