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Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Monday, September 26, 1994

PRIVATE MEMBERS' BUSINESS

[Translation]

WITNESS PROTECTION ACT

The House resumed from May 26 consideration of the motion that Bill C-206, an Act to provide for the relocation and protection of witnesses, be read the second time and referred to a committee

Mr. François Langlois (Bellechasse): Mr. Speaker, before I speak to Bill C-206, I would like to remind this House that this is the twenty-sixth anniversary of the death of Daniel Johnson senior, the premier of Quebec, whose politics transcended partisanship and who left a valuable legacy for the Quebec we know today.

I have read Bill C–206, introduced by my colleague, the hon. member for Scarborough West, to whom I have listened attentively, both during his presentation before the Sub–Committee on Procedure and House Affairs, when he so eloquently argued to have his bill put to a vote in this House, and when he reached a stage not many reach, because many are called but few are chosen. The hon. member for Scarborough West may congratulate himself on having raised the awareness of the Sub–Committee on Procedure and House Affairs and that of this House regarding the protection and relocation of witnesses.

The hon. member's concern for this particular issue is to his credit and will advance law in Canada, because, as we would have to agree, we have lagged behind our neighbours to the south, who have already, for close to 25 years now, had legislation in 50 states of the union with respect to witness protection that is known to the public and that sets out their rights.

Here in Canada we have, of course, certain more or less well-known provisions for the protection and relocation of witnesses, which are applied in turn, piecemeal and sporadically by the Royal Canadian Mounted Police, the Ontario Provincial Police or the Sûreté du Québec.

However, I do not believe that in a democratic state we should be satisfied with piecemeal measures and decisions taken arbitrarily by those who are called upon to make such decisions, often behind closed doors. I think that the idea of having legislation that will apply throughout Canada is one that will improve the situation of witnesses, particularly in a criminal context and especially with respect to serious crimes. I therefore think that we can put an end to a sort of bona fide application of procedures, which could be sequential, without controls and without witnesses really being informed of the applicable policies.

(1105)

As I said earlier, a standard procedure must be established. The public must know what the future standards will be and how to have access to the protection and relocation program.

How will it work? Should the judiciary be involved in the protection of witnesses? The hon. member for Scarborough West suggests it should not be involved, to prevent excessive media coverage, but perhaps a parliamentary committee could be an alternative. This is an excellent idea, to have a sub-committee such as the justice sub-committee look, as discreetly as possible, at how witnesses are being protected. I think this is a fine job for the justice sub-committee which is already looking into allegation concerning the Canadian Security Intelligence Service. This new responsibility could be added to the mandate of the sub-committee.

In the case of serious crimes like drug trafficking or organized crime, the very survival of the witnesses is often at stake. But in our legal system, the entire case for the Crown usually rests much more on witnesses than on the admission of guilt on the part of the accused, which puts the Crown in a precarious position when introducing evidence. Crown attorneys never know, throughout the bail hearing, the preliminary investigation and finally the trial per se—a three–stage process that can stretch over several months—if their witnesses will see them through. They often wonder: can I be sure I will still have witnesses to call by the time we go to trial? And when I call them to the stand, will I be able to ask them the questions and, more importantly, get the honest answers I have every right to expect from them?

At present, there certainly is no guarantee, because witnesses often have failing memories in such cases. The hon. members who were in legal practice or even watched movies about certain trials or television broadcasts of trials have noticed witnesses who cannot recall anything at the time of the trial. Their

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memories fail them. I think we must provide assistance to these witnesses who need our help.

Help is required both before the trial and, of course, after it. Before the trial, we must ensure their physical safety, which involves providing them with some form of protection. At times, this will mean literally hiding them for their own protection, and with their consent I hope, so that they can give adequate evidence to enable a court of law to appreciate the value of the evidence and determine whether the Crown has proven its case beyond any reasonable doubt. Bear in mind that, in our legal system, an enormous onus rests with the Crown and the slightest error in that area will automatically lead to an acquittal. With regard to foul crimes—I mentioned drug trafficking and organized crime—the simple fact that witnesses vanished could be enough to raise a reasonable doubt because the jury or the judge, if the accused has asked for a trial without jury, will not have the benefit of their testimonies.

But there is also the aftermath, them time after the trial, after the sentencing. Sometimes, the presumption of innocence—which I in no way question—and its offshoot, the reasonable doubt principle, can also lead to an acquittal and a witness can be in grave danger. We must therefore provide for the social reintegration of a witness who had someone put way or may even have failed to do so on the assessment of the evidence.

(1110)

What this generally means is getting a new identity, new papers and often a new job for the witness. In extreme cases of course, the State must be able to provide replacement income to witnesses who have put their lives on the line for the law of the land to prevail.

In that sense, I fully agree with the principle of the bill introduced by the hon. member for Scarborough West. In short, based on what was said in the comprehensive speeches made so far on the subject, let me just indicate that at the time of the vote, scheduled for later on, or in a deferred vote, I will gladly support the bill put forward by the hon. member.

[English]

Mr. Jim Abbott (Kootenay East): Mr. Speaker, I am very pleased to rise in support of this private member's bill and the initiative taken by the hon. member. One of the most amazing things to me is having had the opportunity now to take a look at this, I would suggest to all members that they probably have a number of people currently in their constituencies falling through the cracks relative to this issue.

Most of us are involved with people in our society who are supposedly the law-abiding people, the upstanding citizens, the people we never hear about in the courts. Certainly we never read about them in the paper. As we are all aware with criminal

justice there are situations in our constituencies that require the attention of the police and the courts and of course all of us want to see justice done correctly.

Part of the justice system are the witnesses who come before the courts. They are a very important part, at the risk of stating the obvious, to getting the convictions we would like to have in our criminal justice system for those who are guilty of a crime.

The information these witnesses provide is absolutely invaluable to crack the case. Unfortunately, however, it is very obvious that we would end up in a situation of tremendous fear on the part of some individuals when they are confronted with a situation of facing the accused in a court or coming forward with information. They have tremendous fear and very understandable fear.

I happened to notice in the Edmonton *Journal* this last weekend that there was a case of an individual who on September 6, 1988 got four months in custody for uttering threats, carrying a concealed weapon, failing to comply. On February 10, 1989 this person was sentenced for six months open custody for forcible confinement and assault with a weapon. On September 20, 1989 this person was sentenced for two months open custody for solicitation, and on and on. There are four more cases on top of the first three I have outlined. Then on September 9, 1992 this person was sentenced to 30 days in jail and fined \$400 for uttering threats against a woman police believed might implicate this person in a murder.

We have seen particularly in western Canada very successful so-called crime stopper programs in which crimes are brought forward on television. People are encouraged to come forward and act as witnesses but the difficulty is that even if they come forward in confidence, even if they come forward in secrecy, even if they provide the information in such a way that it will result in a conviction, it is not infrequent that mistakes will occur in the investigation or mistakes can occur in the court where the name of that person who has come forward as a good responsible Canadian citizen suddenly is applied in court. Then the accused person at that point, particularly if it leads to a conviction, is fully aware of where the information came from. Fear is an absolute factor in this equation.

(1115)

Right at the moment this is a police responsibility, and as the member from Quebec stated, this leads to a patchwork, very spasmodic kind of a system. It leads to inconsistency from jurisdiction to jurisdiction because there will be different attitudes on the part of different police departments even throughout our constituencies. There will also be different budget constraints and respective police forces will have different attitudes toward the issue of budgets.

Another problem that currently exists is what I call the 97 per cent factor. I have been led to believe on the basis of research I did before speaking to this issue that 97 per cent of the people who would be protected by the witness protection act are people who were involved in some kind of criminal activity with respect to the issue that would be before the court.

It becomes part of the plea bargain or it becomes part of the "if you will give us this evidence in court to lead to this conviction, although you were involved" and this bargaining goes back and forth.

I suggest with police being human beings they would undoubtedly have an attitude problem from time to time with some of the people they would be using in an attempt to gain convictions because the people they are dealing with as far as they are concerned do not fall into the responsible citizen category.

This legislation would lead to a specific protection department. I support it because it would be separate from the police force for the reasons I have just outlined. This protection department for witnesses would also, in my judgment, be best served by getting people who are trained in counselling.

Can we imagine the stress on individuals of coming forward as a witness, particularly in very serious crimes or crimes where there are tremendous numbers of people involved? I see the witness protection department as having counsellors who are trained.

By having a department separate from the police forces, we would not only gain uniformity of application across the country, but it would give us an opportunity to develop some kind of standard policy across Canada.

The Reform Party, of course, is noted for always talking about how much it is going to cost. With the current incarceration and rehabilitation programs for people who are convicted of criminal offences we are currently looking at an expenditure of about \$2 billion. In the area of enforcement under federal jurisdiction alone we are looking at a cost, I believe, of about \$1.7 billion.

What we should be doing with the \$1.7 billion is looking at the cost effectiveness of using dollars where people would have confidence in a witness protection plan to be able to come forward. I cannot help but think that this would have a direct impact on being able to roll back the cost of some investigations, where the investigations would not have to go forward at continuing cost because people would feel comfortable in coming forward.

The relocation of a witness is an issue. Again I suggest that within the \$2 billion which we are currently spending on incarceration and rehabilitation, we should be able with some ease to find some dollars for the issue of relocation of witnesses.

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In conclusion, the sentence that a criminal receives for his or her criminal activity is measured in months and years. I suggest that the sentence that a witness gets is a life sentence, particularly in situations where the person who is convicted of a crime makes it very clear that he or she is going to continue to pursue the witness. We must set up retraining for these people to get them from the field that they are currently working into another field. This would help to isolate them from their previous situation. We must set up documents, set up protection for the people who we are asking to be witnesses in these criminal cases.

(1120)

I look forward to the thoughtful support of all members to move this bill forward to committee.

The Deputy Speaker: Under Standing Order 44, the hon. member for Scarborough West will close the debate.

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I am very honoured to stand today to close the debate on my Bill C-206, the protection of witnesses in Canada.

I want to begin by thanking the Parliamentary Secretary to the Solicitor General of Canada who was kind enough to second my bill when debate began on April 20, 1994.

Throughout the three hours that the bill has been debated, eight of my Liberal colleagues, two members of the Official Opposition and four members of the Reform Party have spoken. Each and every one of them has spoken in favour of the principle of the bill.

Many good points have been raised. Many suggestions have been made. I am the first to acknowledge that the bill, since it was written by me, is certainly not perfect and that it can be improved. Should the House decide to pass the bill at second reading and send it to a committee, I look forward to discussing the suggestions that my colleagues have made to help make this a better bill so that witnesses can be protected and thereby strengthen the justice system.

I am particularly thankful that the Official Opposition has so clearly and unequivocally come out both on April 20 and today and stated that it would support the bill, as have my friends in the Reform Party.

I want to briefly remind everybody in the House and those watching that this is an area which has been left alone, which is quite unusual. In fact there is no legislative basis anywhere in Canada for the protection of witnesses. Although there is no law, there are approximately 21 individual witness protection plans across the country, as we heard from the hon. member for Kootenay East, all being run by various departments under different rules.

The Royal Canadian Mounted Police plan, which has no legislative basis, has expanded. In 1986, for example, \$569,000 was spent by the Royal Canadian Mounted Police for witness protection programs. In 1993, a few years later, \$3,800,000 was spent. What for? This is under the rubric of drug enforcement.

Under the rubric of drug enforcement it is clear that over the years it has become useful in the capturing and convicting of criminals to help witnesses who would otherwise fear for their lives to be relocated.

This bill, the protection of witnesses, will help to convict criminals and get them off the street by encouraging people to come forward and testify, knowing that they will not be subject to further reprisal.

There were 1,455 unsolved murders in this country between the years 1980 and 1992, almost 1,500 unsolved murders. I hope that this bill will help to solve some of those tragedies.

I got a call from a number of people in hiding over the course of debate of this bill but one in particular struck me. It was a mother with a number of children who is currently in her third province of residence because of this hodge–podge of protection plans. She was a witness testifying against her husband in a murder trial. As a result of that her husband was convicted. Her husband is looking for her, as are her husband's associates. She was relocated to the province of Ontario with her children, living in fear and hiding.

Unfortunately because of the fact that there is no legislative basis it is not that easy to get new passports. It is not that easy to get a new social insurance number. It is not that easy to invent a new identity. Her husband's associates, even though he is in prison, have been able to trace her in two provinces and now she is running to her third. We do not want to see that happen to families and to victims. I hope this bill will help to alleviate that.

In closing, I want to remind the House that should members be of the view that this bill merits passage at this time, it means the principle of the bill is accepted and the matter proceeds to committee where it will be studied carefully. There we will be able to look at the experience in the United States. We know that our friends in Australia have just this year introduced a very similar bill to this one. They are struggling with that as well.

I am sure the committee will be able to carefully examine the good points made in the debate and to examine the experiences in the United States and Australia. We should able to come up with a plan that will protect victims and their families, witnesses and their families, and will help to convict those who deserve to be convicted.

I thank everybody in the House and I ask for thoughtful consideration in the passage of my bill at this time.

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

Mrs. Bakopanos: I rise on a point of order. I would like to ask the House to suspend the proceedings until noon.

SUSPENSION OF SITTING

The Deputy Speaker: Is it the wish of the House to suspend the sitting to the call of the bell?

Some hon. members: Agreed.

(The sitting of the House was suspended at 11.27 a.m.)

SITTING RESUMED

The House resumed at 11.59 a.m.

GOVERNMENT ORDERS

[English]

DEPARTMENT OF INDUSTRY ACT

Mr. Alfonso Gagliano (for the Minister of Industry) moved that Bill C-46, an act to establish the Department of Industry and to amend and repeal certain other acts, be read the second time and referred to a committee.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, on behalf of the Minister of Industry I appreciate the opportunity to speak on the occasion of second reading of the legislation that gives official recognition to the Department of Industry.

I will begin by explaining to Canadians that this legislation provides a streamlined, organized and comprehensive approach to all those various instruments the government has had spread over several departments. It is an effort to bring them all under one ministerial roof.

Under this bill the minister is responsible in Canada for industry and technology, trade and commerce, science, consumer affairs, corporations and securities, competition and restraint of trade including mergers and monopolies, bankruptcy and insolvency, patents, copyrights, trademarks, industrial designs, and integrated circuit topographies.

Also included in the minister's responsibilities are standards of identity, packaging and performance in relation to consumer products and services, except in relation to the safety of consumer goods; legal metrology; telecommunications, except in relation to the planning and co-ordination of telecommunications services for departments, boards and agencies of the Government of Canada; and broadcasting, other than in relation to spectrum management and the technical aspects of broad-

casting; the development and utilization generally of communications undertakings, facilities, systems and services for Canada; investment; small business; and tourism.

Never before has there been such a comprehensive revamping. As I mentioned earlier we have put four departments into one. The purpose is to allow the government and all members of the House of Commons to work at creating a very tight focus. This will create an environment for stimulating entrepreneurs and thus will get people back to work.

In these times of a very tough fiscal framework, the debts and deficits at all levels of government are very high. It is therefore incumbent upon all members in this House and all public servants across Canada to do their very best to maximize the use of taxpayers' dollars. By undertaking this massive and comprehensive reorganization the Government of Canada is living up to a commitment made during the campaign and which is contained in the red book. Speaking on the red book for a minute, it has become our compass in the past 10 months as a government. I refer members and Canadians to page 47 where we stated:

A Liberal government will focus on small and medium-sized businesses because they can and must be the determining factor in turning around what has so far been a jobless recovery.

Small and medium-sized businesses are primarily Canadian owned. They are found in all sectors of the economy: manufacturing, services, retail, high technology, low technology, fishing, and farming. Supporting small and medium-sized businesses will benefit all Canadians, but particularly certain demographic groups.

(1205)

This bill will allow us to put a very special focus on that sector of our economy we believe will ultimately pull this country out of its very difficult economic and fiscal framework.

One thing members opposite have been talking constructively about over the last few months is that we have to reduce overlap and duplication. This bill addresses that point which opposition members have made.

Another thing opposition members have put forward from time to time is that by having many departments sometimes the message becomes scattered and the focus is not as tight as it should be. This is a very large department. We are talking about a department with 6,000 employees all across Canada. Of those employees, 2,500 are beyond the national capital region. In terms of public service, we are talking about 140 access points.

It is important that all our public servants be in tune with this new government thrust. It is important that all members get behind this bill because it essentially meets the request, some thoughts and ideas that opposition members have put forward.

Another important point we have to deal with is that because of our very difficult fiscal framework, government no longer has the resources to put money into program support. Funding support is very tight right now.

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As a national institution Industry Canada must have a different presence in the community. It must have the type of presence where it will be like a facilitator. We will lever the government's resources and do many more joint ventures with the private sector. We will be funding less in terms of special projects.

Of course the minister has made some very special exceptions in the last few months. Those special cases involve important issues relating to science and technology and research and development. There are a couple that the House and Canadians should be aware of.

The minister made the commitment to the space station. That was a commitment in excess of \$2 billion over time but it is an area where Canada has great brain power. By participating in this program with the United States not only will we be partners but we will be allowing the best and brightest in that sector to grow. We also continue to fund the very special centres of excellence, the 10 of them across the country.

We can see that the minister has not in any way shape or form retreated from the government's commitment to research and development. Research and development is an integral component of any national industrial strategy.

Another very important feature of this bill is clause 5(a):

The minister shall exercise the powers and perform the duties and functions assigned by section 4(1) in a manner that will

(a) strengthen the national economy and promote sustainable development.

This particular clause is something the minister, when an opposition member, fought aggressively to be included in previous legislation but was unable to achieve it. This is a very special feature of the bill. We salute the minister, the drafters and the officials that this is now a part of our national industrial strategy, that this is all going to be done in the light of sustainable development.

(1210)

In order to make sure there is a discipline on the department we have incorporated the old Department of Consumer and Corporate Affairs. The interests and protection of Canadian consumers is within the same department. This means that as we are advancing and developing policy we are going to have consumer protection and interest right there in the room during the evolution and debate on this policy. That will go a long way in making sure that the objective of sustainable development is maintained.

I would like to touch on a couple of other very important areas of responsibility within the Department of Industry. Throughout the day many of my colleagues will talk about this bill and how it impacts on their various regions and communities in Canada.

I would like to highlight the commitment of this government to the tourism sector. Those who watched the Prime Minister's address to the Chamber of Commerce last Sunday will have noted that he highlighted tourism as being a sector of our economy to which this government will make a very special

commitment. As that sector is part of Industry Canada I can happily say we are excited that we are going to rebuild Tourism Canada.

I cannot imagine a member of Parliament in this House not supporting that particular sector. In terms of job creation, after the automotive and forestry sectors tourism creates more jobs than any other sector in our economy. Right now there is close to a \$7 billion deficit in that sector.

I hope all members of Parliament will support the government's initiatives. The Minister of Industry will be making an announcement in about three weeks' time on how we can rebuild that sector of our economy.

Another area of responsibility within the Department of Industry is the Federal Business Development Bank. We are happy that this particular government instrument is in the Department of Industry and we are especially happy with the support from the opposition parties on the whole issue of access to capital for small business.

The presence of the Federal Business Development Bank will be reinforced. We will put a tighter focus on that institution and its responsibilities to complement existing financial institutions and target small business operators. By doing this we will fire up the Canadian entrepreneurial spirit, especially with businesses that have 50 or fewer employees. The access to capital problem all members of this House hear about from their constituents is something to which the Department of Industry is sensitive.

As a member of the industry committee I can tell Canadians that probably in two or three weeks our all-party study will be tabled in the House. Most of the things we have been working on will address and support this current revamping and restructuring in Industry Canada.

(1215)

We would like to think that the Department of Industry is not just listening to members of the opposition parties but that in this particular piece of legislation we are showing we are acting on some of those recommendations and following through on some of the commitments that we made in our red book.

There are so many different aspects within the Department of Industry that I could go on all day. I would like to talk about a couple of other areas where the minister has given very special emphasis and energy during the last few months. It is important for Canadians to know about all the work that has been done on reducing interprovincial trade barriers. The interprovincial trade barriers that exist in this country cost industry close to \$11 billion a year.

I am happy to report that the Minister of Industry at the end of June successfully reached an agreement that will reduce many of these tariff barriers in about 10 different sectors. This will go a long way in creating a more efficient economy in Canada. We are not saying at this point that the interprovincial trade barrier document is the end of the pathway, it is just the beginning of the pathway. It is a very tough issue which the minister started on early in this mandate and he was able to achieve a good round of successes in phase one. We state clearly that it is only phase one and we have a tremendous amount of work to do yet. We seek the co-operation and ideas of all members of Parliament in that area.

Another area where the minister has given very special focus and attention is the information highway. The information highway will give Canadians an opportunity to re–establish ourselves as the communications country, the communications state par excellence of any country in the world.

Along with the Secretary of State for Science, Research and Development we are working not just with the information highway advisory group but we are working in partnership with various community groups, with the private sector, and we are working very hard now in creating an environment in which we can pave the information highway.

Last week I attended on behalf of the minister a demonstration. The Queen's masters of business program began the new master of business program which is on interactive television. Now you can be sitting in the Northwest Territories or some place in B.C., or Toronto or Newfoundland and through the technology that has been developed with various corporations you can now get your MBA without going to Queen's in Kingston. This is the first of its kind in Canada but it is a concrete example of how this information highway is turning from theory into real hard reality. This is the type of thing that will make us a more educated country, and a more educated country is a more competitive country.

The other thing we are doing in the Department of Industry is working very hard to encourage our small and medium size operators to become more export oriented. We are doing this through our advice in policy development with the Federal Business Development Bank. We are doing this through Industry Canada officials who are dedicated to helping small and medium size entrepreneurs to shift their marketing strategies from the North American marketing thrust to the Asian thrust, and other parts of the world.

We are doing our best to move this whole restructuring and streamlining of government forward in a way that we believe will show Canadians that we are serious in eliminating waste, that we are serious in developing a co-ordinated approach, a focused approach that will allow the business community of Canada to develop a renewed faith in dealing with the Government of Canada.

(1220)

One of the real frustrations entrepreneurs have in dealing with government is that they will go to a department asking for a particular type of advice. The official will say for this particular part of your program you come to Industry Canada but for this other part you have to go to consumer affairs, for this other part you go to the Federal Business Development Bank.

By the time the entrepreneur is finished with the experience he feels that he would much rather avoid dealing with the government.

We are hoping that through this bill, through this streamlining, by putting all of these services—emphasis on the word services—under one roof, we are not only going to become more streamlined but by eliminating duplication we are going to make the experience of business men and women in dealing with their government a much more productive one. That will ultimately rebuild confidence and trust in this institution.

I want to once again say that we are moving quickly in the area of reorganization. We are hoping this bill will receive the support of all members of this House so we can get on with meeting the objective that all of us in this House want, putting Canadians back to work.

[Translation]

Mr. Yves Rocheleau (Trois—Rivières): Mr. Speaker, it is with great pleasure that I will comment on—not to say respond to—the speech by my colleague from Broadview—Greenwood, the Parliamentary Secretary to the Minister of Industry, who rose today on behalf of the Minister of Industry to present Bill C–46, an Act to establish the Department of Industry, not to say the new Department of Industry, because it must be said that this bill simply confirms after the fact what was planned by the former government then led by Ms. Campbell. Under this bill, certain institutions such as Investment Canada, Consumer and Corporate Affairs, part of the Department of Communications and Science and Technology will now come under the same concept, the same minister and the same department, namely Industry Canada.

Briefing sessions, to use the federal public service's new terminology, can be very enlightening in that we meet with public servants who can fill us in on the government's approach. That is how we learned, for example, the guidelines behind Bill C-46, which can be found in a government document prepared by the minister's officials. The guidelines are as follows: Bill C-46 is aimed at, among other things, maintaining the status quo between the mandates of the departments affected; preserving the provisions in the old laws as much as possible; and

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finally, making the minor amendments that are needed but not substantial.

That is characteristic of how this government elected on October 25, 1993 has operated since the beginning of the session on January 19. It is there but not making any headway. It is simply marking time. It holds debates without making any real progress, without promoting advances in science—since we are talking about science and technology.

It is simply marking time, and that is becoming more and more obvious as weeks and months go by without any real savings recorded as a result of their amendments. Three or four structures are combined under one head; they are now headed by one person instead of two or three, but nothing is really saved in the day—to—day running of things; we think it is purely a cosmetic operation, it is grandstanding, it is a way to say that instead of 30 or 32 ministers as before, there are now 20, but with the same responsibilities.

(1225)

I refer to a government document given out at another briefing session we had for people in the Official Opposition who are concerned with the Department of Industry; it is contrary to the action needed, in their words, to make the machinery of government simpler and more efficient and to provide better services to users. So nothing is being simplified and nothing is more efficient with this change in structure, which is purely cosmetic.

These are not just words; this is the mandate of the minister of the newly structured Department of Industry. It is worth reading it

My colleague, the parliamentary secretary, read it in English; I shall read it in French: "Powers, Duties and Functions of the Minister. The powers, duties and functions of the Minister extend to and include all matters over which Parliament has jurisdiction, not by law assigned to any other department, board or agency of the Government of Canada, relating to industry and technology in Canada; trade and commerce in Canada; science in Canada; consumer affairs; corporations and corporate securities; competition and restraint of trade, including mergers and monopolies; bankruptcy and insolvency; patents, copyrights, trade-marks, industrial designs and integrated circuit topographies; standards of identity, packaging and performance in relation to consumer products and services, except in relation to the safety of consumer goods; legal metrology; telecommunications, except in relation to the planning and coordination of telecommunication services for departments, boards and agencies of the Government of Canada, and broadcasting, other than in relation to spectrum management and the technical aspects of broadcasting; the development and utilization generally of communication undertakings, facilities, systems and services for Canada; investment; small businesses; and tourism."

So, Mr. Speaker, 15 fields of action, 15 fields of responsibility, which make the Department of Industry today a huge giant. We may wonder how one individual, as well supported as he may be by the bureaucracy, can really do an effective job! I for one, anyway, am very sceptical that anyone can really govern with such a broad mandate, when you realize that the industry minister's responsibility, in addition to what I just read, extends from Statistics Canada, for example, to the Canadian Space Agency to the Competition Tribunal and includes the Federal Business Development Bank, to name only these.

So I think that this excessively large field, which on the very face of it leaves us sceptical—

Mr. Mills (Broadview—Greenwood): Superman.

Mr. Rocheleau: Superman. Yes, the parliamentary secretary has taken the words out of my mouth. It takes a superman and the voters will have to decide in due course whether the minister is superman.

Mr. Speaker, one aspect of the bill that I read particularly interested me. With respect to the minister's powers, clause 5 says, "The Minister shall exercise the powers and perform the duties and functions assigned by clause 4", as we saw before, "in a manner that will (a) strengthen the national economy and promote sustainable development; (c) increase"—and this is very important—"the international competitiveness of Canadian industry, goods and services and assist in the adjustment to changing domestic and international conditions."

(1230)

When I read this section, I immediately think of two Quebec industries affected by the defence industry conversion which show the government's negligence immediately—and there are certainly more in other parts of Canada. On paper, this government has every power to take action, but it lacks the political will to deal with the very harrowing issue of defence industry conversion, thus letting the situation get worse from week to week.

Take the case of Expro where, in the last few weeks, the situation has become dramatic. Indeed, the workers, the union and the management are faced with the unbearable choice of having to decide who and how many, will be laid off. I can understand why union leaders opposed this measure since there is no alternative.

There is no alternative of course because the global situation is difficult. As we know, now that the cold war is a thing of the past, everything that has to do with military production is being reevaluated. In fact, the military industry worldwide is conducting such an exercise. But what distinguishes Canada is the government's negligence compared, for example, to the American government's initiatives to concretely support that industry and make sure that it will improve. The situation of Expro is getting worse, while MIL Davie, in Lévis, has still not received

any support from this totally apathetic government—in spite of strong public and political pressure.

Thankfully, we heard some good news for the Quebec City region when the leader of the Parti Quebecois, who is being sworn in today as the province's new premier, pledged—and we hope that he will have the means and the political will to fulfill that commitment—to find a solution in the case of MIL Davie, with or without the help of the federal government. Mr. Parizeau must be congratulated for displaying this kind of political courage to ensure that the problems of the number one private company in the Quebec City region are resolved—indeed, this is no small venture: it is the largest company in the region. The projects regarding the ferry to the Madgalen islands and the smart ship, which have been the subject of much discussion and which the federal government is very familiar with, should get the green light so as to at least give some time to MIL Davie.

I want to take this opportunity to congratulate all our elected colleagues from the Parti Quebecois, and particularly Mr. Parizeau. I also want to congratulate the PQ members who were elected in my region, namely Mr. Guy Julien and Mr. Rémi Désilets, who will respectively represent Trois–Rivières and Maskinongé at the legislative assembly. Some may find those results strange but the fact is that, for the first time ever, Maskinongé voted for the Parti Quebecois, and so did the riding of Charlevoix if I am not mistaken. This is a sign of the times and it shows how coherent Quebecers have been in their thinking since the failure of Meech. Indeed, Quebecers first said "no" to the Charlottetown accord, then "yes" to the Bloc Quebecois and the Parti Quebecois, and they will say "yes" to sovereignty in a few months.

We are pleased that the Parti Quebecois is now in office and we were glad to see that Quebec's premier, Mr. Parizeau, wasted no time in announcing at his first press conference a policy which will better anything ever done by the federal government regarding regional housing—even if those federal measures were not necessarily constitutional—by setting up a new structure whereby parliamentary assistants, who will be directly accountable to the premier, will each be responsible for one region of Quebec.

(1235)

I think Quebec has scored some major points as far as its future is concerned, and we can only commend the Government of Quebec, and encourage and support it in its new approach to regional development, which is entirely in line with the findings of the Bélanger–Campeau Commission on the concerns of the regions.

Earlier, I read to the House what the department's responsibilities were, but there is more. That was only Part I. The powers, duties and functions of the minister also extend and include all matters over which Parliament has jurisdiction, not by law assigned to any other department, board or agency of the

Government of Canada, relating to regional economic development in Ontario and Quebec. This brings us to the Federal Office of Regional Development which comes under the Department of Industry but, politically, is the responsibility of the Minister of Finance.

Incidentally, the office, and this is perhaps something many people were unaware of, was established by order in council, while its counterparts the Department of Western Economic Diversification and ACOA, the Atlantic Canada Opportunities Agency—were legislated into existence. The fact that western Canada has a department, the Maritimes an agency and Quebec an office probably says much about the federal government's perception of Quebec's economic development. It may be symbolic that besides having an office that is the responsibility of the Minister of Finance, we have an order in council instead of legislation.

If we take a closer look at all this, we should realize that the institution itself, which is called the Federal Office of Regional Development, merely duplicates what already exists, even at the federal level. I know what I am talking about. I live in a region where we have regional development, and I can tell you that federally, the office is competing with the NRC, which has its own regional branches staffed by one or two that get in touch with small businesses, inquire about their technological requirements and are then able to meet those requirements, which is not the case with the office. The Federal Office of Regional Development is therefore competing with at least one federal agency and, in Quebec, with the Quebec Department of Industry and Commerce, which promotes regional development for the benefit of small businesses, and with the entire network of industrial commissioners Quebec has established with municipal funding plus the support of the provincial government.

The Federal Office of Regional Development merely creates a lot of overlap and duplication, and that is its sole mandate. When we take a good look at the section on regional economic development, we see in section 8(c): "focus on small and medium–sized enterprises and the development and enhancement of entrepreneurial talent".

There are already quite a few players in the field. In Quebec; they are talking quite openly about streamlining all this, and now the federal government gets involved, for historical reasons, as we all know. This Parliament has always wanted to do the right thing. It has always wanted to do what is best for Quebec, but Quebecers are pretty smart, and we can expect some action on this issue very shortly. Furthermore, the federal government has made cuts in the Federal Office of Regional Development, so that any potential it had for being effective is about to disappear altogether.

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(1240)

From what I have heard recently throughout my riding and also from other sources, cuts amounting to \$70 million over the next three years will make an empty shell out of the Federal Office of Regional Development. It is an empty shell which meets the needs of small and medium–sized businesses only when they are involved in high–tech projects. But unfortunately, this is not often the case—herein lies the problem—and one must remember that, by and large, the office is of very little assistance to small and medium–sized businesses.

As for its involvement in tourism mentioned earlier by the parliamentary secretary, it seems to me that we are talking about provincial jurisdiction and, in this particular case, Quebec jurisdiction. The federal government must thread very carefully if it wants to get involved in this area. We have seen examples of such involvement in remote areas where the federal government stepped in to support projects sometimes turned down by Quebec resulting in a lot of confusion, duplication and overlapping, and a tremendous waste of money and efforts. Unfortunately, this lack of cohesion is too often the rule instead of jointly planned regional development.

We believe that regional development is, first and foremost, a provincial matter and that Quebec should have exclusive authority in this area, especially now that we have the resources and the structure to do it. With the new government, we will be in an even better position to take matters into our own hands. We cannot allow the federal government to continue interfering in such a field of competence, especially since we know that the Quebec government is working in co-operation with the various stakeholders and elected representatives in every municipality and region of the province. Regional municipalities and unified regional municipalities provide Quebec with the appropriate structure to meet people's needs in an increasingly articulated manner.

We cannot support such an empty bill. It is just window—dressing. It comes after the fact to sanction a decision made by this government hopefully with a view to streamlining its operation. It is only skin deep. As a consequence, we cannot support this bill and for this reason I move, seconded by the member for Charlesbourg, the following amendment:

That all the words following "that" be deleted and replaced by:

"this House refuse to give second reading to Bill C-46, an Act to establish the Department of Industry and to amend and repeal certain other Acts, because the principle of the bill does not put an end to duplication and overlapping by not recognizing that Quebec has exclusive authority over regional economic development".

The Deputy Speaker: I will say that since this bill has already been reviewed, this motion which is similar to the previous one is acceptable.

[English]

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, it is an honour for me this morning to enter the debate on Bill C–46. I am particularly pleased to see the minister's parliamentary secretary here but very disappointed the minister himself is not here to enter the debate on Bill C–46.

(1245)

I wish to enter into the debate by indicating that the bill which apparently is simply to streamline and to create jobs, as has been indicated by the parliamentary secretary, is nothing of the kind.

There was an opportunity in presenting the bill to the House to show some leadership in this vast and extremely powerful economic arm of the government. Based on the content of the bill that leadership opportunity has been ignored. I hope to show that there is a need in Canada as never before for the portfolio of the minister of industry to provide the leadership and direction from which Canada could benefit so much.

In so doing, I wish to draw attention very briefly to the development of the particular department. C. D. Howe ran much of the former department of trade and commerce during the fifties essentially as minister of defence production. Much of the development in the fifties and in his direction to that particular department was as a result of the contacts he had made with various industries during World War II.

Walter Gordon followed C. D. Howe. He wanted to create a department of industry in the early sixties. Eventually he was successful in doing it. Mr. Gordon was an interventionist and a protectionist and he wanted the department of industry to further those goals. His proposal received a rough ride in cabinet at that time and from the existing department of trade and commerce. Eventually the department was established but had no clear direction or vision of what it was supposed to do partly because according to some observers Mr. Gordon really wanted to be the minister of finance and did not want any advice from the Economic Council of Canada which was trying to develop a strategy for the economic development of Canada.

In 1968 industry, trade and commerce was established as a merger of industry and trade and commerce under Jean–Luc Pepin. It is also worthy to note that at that time a parallel development took place, the development of regional economic expansion. These were years of difficulty involved in integrating industry on the one hand, trade and commerce on the other, and DREE on the other side. Organizations and reorganizations

occurred within industry over the following decade, always searching for a focus and cohesion that seemed to elude them.

In 1978 the ministry of state for economic development was created, another new name. Out of the government's desire to co-ordinate economic and industrial strategy which had always been eluding it under the efforts of ITC it noticed the only thing that changed was the name. It was the ministry of state for economic development.

In 1982 the industry, trade and commerce department was scrapped under the reorganization of government initiated by then Prime Minister Pierre Trudeau. The trade commissioner service was moved to external affairs and the remainder of industry, trade and commerce was merged with DREE, the department of regional economic expansion. Out of that department the new name was generated, the department of regional industrial expansion. The ministry of state for economic development was renamed the ministry of state for regional economic development and was given responsibilities for that area.

Almost all officials involved in the reorganization undertaken under a veil of great secrecy were from the privy council office. Even some of the ministers and deputy ministers directly involved in the reorganization were not involved in the discussions with privy council establishing a new department. Again, confusion and turf wars among the various component entities of DRIE prevailed.

In 1987 the government announced the creation of the Atlantic Canada Opportunities Agency and soon after western economic diversification. The rest of DRIE became over the next three years the department of industry, science and technology. During that three—year period the privy council office provided no direction or very little direction for the creation of the mandate for the ISTC and the department was left to find its own direction. While the ministers did attend some of the meetings they did not provide any particular direction.

(1250)

The election of 1988 and the following free trade agreement negotiations interfered with the further development of the mandate so the department wandered for three years before it was officially created in 1990.

In review, the core of the department of industry has been a long history or succession of organizational changes and name changes. Each has been without focus, lacking in vision or coherent strategy, and producing interior confusion and strife for the various entities. Attempts at meshing the different philosophies have produced a department which attempts to implement mutually exclusive mandates: that of national industrial development on the one hand and that of regional, economic and industrial strategy on the other.

That history continues in the bill. The incompatible strategies of regional and national economic expansion continue without change.

Shortly after the minister took on his portfolio he said that he had four goals he wanted to pursue while he carried out his mandate: small business, tourism, the information highway and the promotion of exports. In his first major piece of legislation the minister does not articulate a clear vision of the department in any of these areas. Neither does he solve the incompatibility between regional and national strategies.

The minister had the opportunity to make a difference, to provide a direction, to determine and clearly set goals for his department, to re–establish confidence in government and politicians which the parliamentary secretary so ably said he was doing and he did not, to provide a fresh new voice for the people fiscally and democratically, and to set out a vision for the department of industry in Bill C–46, an act to establish the department of industry and to amend and repeal certain other acts.

What did the minister do? The minister has missed the opportunity to act, accepted the Tory leadership in re-organization, essentially changed nothing major, accepted their direction, accepted their philosophy and accepted their goals. He changed nothing of consequence. The minister accepted the principles that guided the writing of the act. This represents more of the same. There will probably be no more confidence in the government than there was in the previous one if that is the kind of leadership we are to get.

What are the two big themes the minister could have effected? The first is quality of treatment: treat all the regions the same way with no special considerations for any one part of Canada over another. The second is the intrusion of government: get government out of the economy as much as possible and let the market preside.

Mr. Mills (Broadview—Greenwood): That is what we are doing.

Mr. Schmidt: Let me quote clause 13 and members will know how much intervention there is. I am convinced the Liberal idea of leadership is to govern in the truest sense of the word, to make decisions on behalf of everyone but never face the people or listen to them. I want to illustrate clearly that the parliamentary secretary to the minister of state for science and technology is at least making an effort to listen to the public.

How do I show this? Bill C-46 in subclause 13(1) referring to cabinet, the most central part of government, clearly states:

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Where the Governor in Council is of the opinion that it is in the national interest to do so, the Minister may, in exercising the powers and performing the duties and functions assigned by subsection 4(1)—

These have been detailed by the parliamentary secretary and my colleague from the Bloc so I will not take time to read them. It continues:

—develop and implement programs and projects of special assistance to industries, particular industrial or commercial establishments, organizations, persons who are members of a particular category of persons defined by order of the Governor in Council or particular persons to aid economic development, whether through the restructuring, adjusting, rationalizing, establishing or re–establishing, modernizing, expanding or contracting of an industry or particular industrial or commercial establishment or organization in Canada, or otherwise.

If that is not intervention in the sense of allowing cabinet rather than the enterprise system or the individuals to make decisions, what is it? As the government intervenes, government decides who wins and who loses. The marketplace is not permitted to function as it should. Of course there should be some guidelines but it is not allowed to function without undue restriction.

(1255)

The Tories did that. The Liberals before them did that and the Liberals of today say that they will do it too. It is not new. It is not more efficient. It is more of the same. I submit that nothing has changed. If anything, the government is likely to make a bad situation worse.

The bill perpetuates the philosophy that has so debilitated Canada throughout successive governments. If we look at the deficit today we recognize only too clearly that is precisely what happened. Do we remember C. D. Howe's cavalier statement: "What's a million?" That embodies what the department has done throughout its history.

Mr. Mills (Broadview—Greenwood): This saves \$26 million

Mr. Schmidt: Yes, \$26 million out of a \$3 billion budget. I submit it is a minuscule amount. I agree it is the right direction but it is not enough.

There is no leadership. There is empowerment, though. There is entrenchment of bureaucracy through repositioning people and cost centres. They are in different places. There are new people with new titles who make the same decisions under the same philosophy, the same principles and the same policies of those who preceded them, in this case the Conservatives.

To be able to distribute money without accountability or demanding accountability is to encourage dependence, irresponsibility, the possibility of misappropriation of funds, political patronage, the abuse of power and the corruption of officials and politicians.

It is no wonder the people of Canada say that governments come and go, politicians come and go and nothing changes. With the bill we see no plan for change. To administer change is difficult. It requires a goal. It requires a vision. It requires a plan to get there. It requires a strategy and tactics to achieve it. In short it requires leadership. The bill does not provide that.

The bill concentrates on centralized planning, an interventionist strategy and the preference of one region over another. It denies the equality of persons, entrepreneurs and provinces. It is deceptive in its presentation. It purports to be a housekeeping piece of legislation but it displays no leadership or change in direction which the department so desperately needs and which was promised to Canadians in the red book.

Let me become a little more specific. The government is simply following the changes as instituted by the Tories. The Tories did nothing to fix some of the more glaring difficulties with the department as it existed in its previous form. The bill only perpetuates centralized power, more interventionism in the marketplace and in individual lives, and the government knows best attitude: the government will decide what is in the national interest. It divides and subjects.

Regional development in the two largest provinces of the country, Ontario and Quebec, is lumped together and as a consequence separated from the rest of Canada. Under existing law an order in council gives the minister of finance responsibility for FORD–Q, the Federal Office of Regional Development, Quebec. We are told there is about to be the same kind of order in council under the new changes in the new act. Nevertheless the act empowers the minister of industry to be the special minister for the economic development of Ontario and Quebec.

How can the minister of industry have a national overview and responsibility, or the minister of finance for that matter who has the same kind of overview? How can these people exercise their duties as minister for the whole of Canada and balance the special interest? It seems to me there is an obvious conflict of interest when he is responsible for all of Canada and then pays special attention to a particular region of a province. It maintains the inequalities that exist at the present time. There is no attempt at level and fair treatment for all whether individuals, industries or regions.

I submit this is wimpy and kindergarten style tampering with government structure. Very far reaching effects are taking place. They have wasted a lot of time and what has it achieved? We have been told in our briefing sessions that they have reduced by 230 people the staff of 6,000 and they have reduced the \$3 billion budget by \$26 million. That is in the right direction. I commend the government for that but it is not good enough.

There is no evidence of them realizing the efficiencies necessary in putting together these four government departments.

(1300)

If that is all that can be done to save \$26 million and reduce staff by 230, is it worth the effort, the dislocation, the stresses that will be involved for the people who are going to be relocated?

It was like getting a parcel beautifully wrapped in nice red paper, the colour of the red book. As we unwrapped it we found that this big box had four smaller boxes in it. On the big box one could still see the Tory label in spite of the fact that it had been changed to read Liberal. It is nothing new, just new packaging and a new label. Our hopes were dashed, our expectations frustrated and our anticipation ignored.

Enough of criticism. Do we have any alternatives? Yes, we do. We believe that the Department of Industry like all of government needs a set of guiding principles and policies, a mission statement, if you will. Reform proposes to bring its philosophy and principles to this department as it would to all others. Here are some of those.

We believe in the value of enterprise and initiative and that governments have a responsibility to foster and protect an environment in which initiative and enterprise can be exercised by individuals and groups.

We believe that the creation of wealth and productive jobs for Canadians is best achieved through the operations of a responsible, broadly based free enterprise economy in which private property, freedom of contract and the operations of free markets are encouraged and respected.

We believe that public money should be regarded by government as a sacred trust or of funds held in trust and that government should practice fiscal responsibility, in particular the responsibility to balance expenditures and revenues.

I notice the parliamentary secretary is nodding his head. I certainly hope the Minister of Finance will see that and that the Prime Minister will agree to that and that they will change their goal which says 3 per cent of the GDP will be the deficit in perpetuity or that it will continue. It is time we recognized the principle that we need to balance our budget.

Reform also supports the depoliticizing of economic decision making in Canada through the gradual elimination of grants, subsidies and the pricing policies and all federal taxes direct or indirect on the natural resources of the provinces other than income tax of general application. Reform also supports the gradual removal of all measures which are designed to insulate industries, businesses, financial institutions, professions and trade unions from domestic and foreign competition.

We support a vigorous measure to ensure the successful operation of the marketplace through such means as promotion of competition and vigorous enforcement of competition and anti-combines legislation with severe penalties for collusion and price fixing.

We support orienting federal government activities toward the maturing of human and physical infrastructure and to support giving greater priority to the development of skills, particularly those that provide future job flexibility.

As well, such training should be made flexible in terms of the type of institutions providing the training. We would encourage co-operative training in industry. To that end my colleagues and I have developed a statement for this department we think we should all observe. The role of the Department of Industry should be to establish and maintain a culture which rewards entrepreneurship, innovation and research and ensures a level, competitive and honest marketplace.

To that end there are many opportunities for improvement in this bill which we would seize on: to curtail the centralized control that is proposed in this bill; to emphasize reducing the ability to interfere in the marketplace; to emphasize improving the ability of the marketplace to self—regulate. Serious intervention in the marketplace should be in emergency or extreme cases only.

The national interest must be clearly defined by the people of Canada through Parliament, not by cabinet; in extraordinary circumstances by referendum. It should not be in the hands of cabinet where it can be made to mean anything it wants it to.

(1305)

With regard to regional development, some fundamental problems exist with this form of government intervention in the economy. Many scholars and former senior mandarins in this department and other departments of government have noted that a national industrial strategy and regional development strategy are mutually incompatible. They often work at cross purposes to one another and become self-defeating.

We believe that the federal government should treat all regions of this country fairly and as a result should do away with all regional development programs. Fair treatment would eliminate the need for a minister to decide between the national interest on the one hand and the regional interest on the other.

Regional political patronage and, just as important, the temptation to engage in it would be removed to a great extent if

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the instrument of regional development were done away with. Better efficiency within the department should then be realized and other areas would benefit as well.

I note with satisfaction, as I referred to earlier, the review that is taking place on science and technology policy by the Secretary of State for Science, Research and Development. I commend him for that and wish him well. I hope that he will question the presence of the many and varied scientific bureaucracies and funding agencies that fall under his purview. They need to be the subject of rigorous and continuing scrutiny. It appears that much of their work duplicates that being done by universities and various research enterprises. The fewer the hands that research funding passes through the better. I hope his review is complete and thorough.

We need to expand private sector partnerships with direct profitable spinoffs which would strengthen the research and development establishment. We need research and development as never before. In that regard we need to be efficient, cost effective, profitable and domestically and internationally competitive.

In conclusion, when we look at the history of the department and couple it with the proposed reorganization it is clear that the minister has chosen not to exercise the leadership that was his in this instance. He has only chosen to perpetuate the confusion and the lack of solid and visionary direction that have been the hallmark of the industry department throughout all of its history and all of its reincarnations and incarnations since the fifties.

We hope that the minister would have taken this opportunity to enunciate a comprehensive national industrial economic strategy and reorganize his department accordingly. It is clear that is not the case. What we have is a clear demonstration that this government has no vision for Canada's economy, a vision from which it could so clearly benefit.

The opportunity to regain public confidence has been squandered. The government could have done away with the pork barrel of regional development and the odious spectre of its centralized economic planning. It did not. This bill perpetuates the status quo. The system needs to be changed to let the market function freely within a framework and direction that reflect the democratic will of the people.

Because this bill is elitist, centralist and interventionist I cannot support it.

Mr. Mills (Broadview—Greenwood): On a point of order, Mr. Speaker. Would it be possible to have the opportunity on second reading for me to put a short question to the member of the Reform Party?

The Deputy Speaker: The parliamentary secretary may not be aware of the fact that the first three speakers for the three recognized parties have a 40-minute maximum and there is no

period for questions or comments when each speaker has concluded the first three speeches.

Hon. Charles Caccia (Davenport): Mr. Speaker, the debate on this bill today is of historical importance for its significance and also because it coincides almost to the day with the seventh anniversary of the presentation of the Brundtland report, *Our Common Future*, to the United Nations General Assembly where it was extensively discussed and received unanimous support.

(1310)

The words sustainable development re-emerged as a result of that event. It is very heartening to see that the Minister of Industry has inserted the term sustainable development in clause 5 of his bill. It is also heartening because when the minister was in opposition he urged the government of the day to use the term sustainable development when a bill was introduced at that time for the formation of the previous ministry. Unfortunately those pressures fell on deaf ears.

In this respect the minister has shown that he has carried out in government what he had spoken about while in the opposition. That is very reassuring for anyone who believes that our political system is alive and kicking and in good health.

What does the term sustainable development mean? It is the key phrase in clause 5 of this bill. Does it mean a growth in which the environment and the economy are seen in conflict? Does it mean a philosophy of imposing limits to growth? Does it mean returning the planet to a hypothetical natural state? Evidently the answer to these questions is no.

Sustainable development means integrating the economy with the environment. This is not a relationship of conflict. The environment and the economy are mutually reinforcing. The terminology recognizes this fact.

Sustainable development means learning to recognize and live within the limits of physical impact beyond which degradation of the ecosystems, of resources and of human condition becomes inevitable and progressive.

Some limits are imposed by the impact of existing technologies and social organization and by the size of the planet but many limiting factors can be expanded through technological changes, modes of decision making, changes in domestic and international policies, and through investment in human capital.

Since the 1987 Brundtland report there has been a lively debate over the specific conditions of sustainability. At this point we can say that sustainability is as much a social goal as it is an economic and environmental goal. It resembles other worldly, widely accepted and conceptually difficult social goals such as democracy, justice and public health.

Since the 1992 earth summit in Rio the global community finds itself in a state of transition from unsustainable to the search for sustainable forms of development. With this bill we are now beginning to come around the corner, so to speak. The fact that the Minister of Industry decided to insert sustainable development as a main objective of his department is very heartening. He should be congratulated.

What are the principles that the officials in this new department should adopt in order to reach the objective of sustainable development? One, as I mentioned briefly, it is the fact that the environment and the economy must be integrated in the decision making process. This is probably the most important condition for sustainable development and also the most challenging.

Too often policies are directly against the requirements of sustainability.

(1315)

The environment is introduced into the decision making only after a problem has developed. At that late date options are usually limited to investments for end of pipe technologies to recapture emissions from waste streams and put them somewhere else.

This leads to the still dominant mentality that a conflict exists between a healthy environment and a healthy economy. It is a false perception of course. We must make both mutually reinforcing, namely a healthy environment with a healthy economy. Integrated decisions have to be made at the front end of the development when goals and policies are being set, not at the end where costs are staggering, as in the case of acid rain abatement and as in the case of a number of other issues. However now is not the proper time or place to list these. Therefore, to conclude this point a fundamental reorganization of economic policies and priorities is needed.

Second, energy. In North America and in most OECD countries conventional energy sources, namely coal, oil, nuclear, gas, attract large subsidies. Total energy subsidies in the United States alone have been estimated at more than \$40 billion annually. In Canada the last time we conducted an estimate on this item the figure came close to almost \$5 billion in subsidies.

End of pipe technologies to improve the safety and reduce emissions where available cannot even begin to compete with the opposite efforts of these huge and indirect subsidies. Energy is a key policy field in order to achieve sustainable development.

Third, agriculture. Taxpayers and consumers of OECD countries spend well over \$250 billion a year on agricultural subsidies. They not only encourage farmers to expend their basic farm capital; namely soil, water, trees, they also promote over production. This gives rise to demands for trade protection and export subsidies to enable those food products to be dumped in developing countries, thus in turn undermining their agriculture

as well. Here again end of pipe measures for soil and water conservation programs are too weak to compete with these subsidies.

Fourth, the nature of production. If high rates of growth are to be achieved and maintained a significant and rapid reduction in the energy and raw materials content of every unit of production is necessary. A healthy economy will no longer be one that uses increasing amounts of energy, materials, and resources to produce more goods, more jobs, more income.

This assumption still dominates policies in energy, agriculture, and other resource sectors unfortunately. It is a leftover from the mass economy of the industrial age marked by a steady expansion in the production of energy, depletion of resources and degradation of the environment.

The link between growth and its impact on the environment can be severed. The sustainable development economy, the new economy, is more efficient, uses less energy, less resources for every unit of production, uses more information, uses more intelligence.

Industry, if driven by the principles of sustainable development, is discovering a number of things. For instance it can redesign industrial processes which require less and more flexible capital plant. It can recycle and reuse by–products. It can invent products that use lighter and more durable materials and that require less energy to produce.

Industry is discovering that with reduced energy and material content, it can save an overall cost per unit of production and reduce environmental emissions and wastes. This is a far more effective way of reducing emissions than expensive end of pipe technologies that serve no other purpose. In addition resource reduction and recycling lead back to the beginning of the production cycle. They result in decreased mining and mining wastes, decreased water consumption and pollution, decreased deforestation and erosion.

(1320)

Moving from unsustainable to sustainable development requires a shift in the government's agenda, a shift not only in the Department of Industry but also in the Department of Natural Resources, of trade, transport, agriculture, public works, external affairs, in our procurement policies, in the production of energy.

The Minister of Industry is leading in this respect but he cannot do it alone. A clear indication of whether a government is shifting its agenda to address sustainability seriously is its budget.

A budget establishes economic and fiscal incentives, as we all know, and also the disincentives, including forms of taxes

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within which farmers, consumers and business make their decisions. A budget is the most important environmental policy statement because it determines how the nation's environment will be degraded or enhanced, how its stock of ecological capital will be increased or reduced. Actually the budget should be regarded as an environmental statement.

It was with these considerations in mind, with a clear intent of keeping an election promise, with a commitment to the need to shift to sustainability that in May of this year the committee on the environment and sustainable development recommended to the government the creation of a commissioner of the environment and sustainable development. This individual would report to Parliament. He would report on progress made in the shift from unsustainable to sustainable policies, on programs, on budgets. We did this drawing from chapter IV of the election campaign red book. We were motivated at the same time by the conclusions of the earth summit in Rio, namely the understanding and belief that Canada must move toward a sustainable development agenda for the 21st century.

The minister and his department are off to a good start by making sustainable development the main goal of this new department in clause 5. The minister is saying that economic development is dependent and goes hand in hand with ecological capital; that the depletion of one leads to the weakening and depletion of the other.

The wording in this bill is a milestone toward establishing in law the interdependence between two values of tremendous importance to humanity. Already the recognition of sustainable development has clearly emerged in the policies of the minister of fisheries through the conservation he has introduced. This was somehow imposed on us by circumstances that have developed over the last 20 years.

Another positive development on this road toward sustainable development is the appointment in early July of a task force to study the baseline expenditures of government that may be in conflict with sustainability and environmental protection. This task force will report to the Minister of Finance next November and is keeping a promise made in the campaign red book.

Another positive development came last Thursday when both the Minister of Industry and the Minister of the Environment announced a strategy for the Canadian environmental industry. It is the realization at the political level, the highest level, that there is an enormous potential, enormous scope for the development of a new industry that draws its strength from the realization that we are entering a new phase in growth, a new phase in development and the linking of the two concepts of the economy and the environment being integrated in a rational manner.

(1325)

Yet to come are the changes in other departments. We still have a long way to go but the beginning is good and promising. I want to applaud the minister for his initiative.

[Translation]

Mr. Jean–Guy Chrétien (Frontenac): Mr. Speaker, I listened with attention to the hon. member for Davenport, who I see as a man full of fine qualities who spends a great deal of energy protecting the blue planet. I have no doubt that the hon. member for Davenport made his allegations in good faith, but I have serious reservations about his party.

You know, when I look at a government that revels in big words such as sustainable development and plays on people's emotions by talking about global development and mortgaging the future of our children and grandchildren, I am puzzled.

When I see, for example, a ship that has been lying at the bottom of the Gulf of St. Lawrence for 24 years and that is still leaking part of its cargo every day; when I see a government that leaves thousands of lights on 24 hours a day when the offices are empty; when I see overheated rooms; when I see the lawn in front of the Parliament Buildings being watered right after it rains or a few hours before heavy rains are forecast; when I see the quality of the water in the St. Lawrence River and the Great Lakes get increasingly worse; when I see that the \$5.8 million that was to be spent on cleaning up the St. Lawrence in Phase I of the St. Lawrence Action Plan was actually invested in Miramichi, New Brunswick, several hundreds of kilometres away from the St. Lawrence River, these denunciations raise questions in my mind about the seriousness of the Liberal Party now governing Canada.

The question I could ask the hon. member for Davenport is this: Can you, sir, who show very good judgment particularly on environmental matters, guarantee that the party of which you are an active member will be as serious as yourself in the years to come, when you know as well as I do that time flies and that we are falling behind with regard to sustainable development?

Mr. Caccia: Mr. Speaker, I can tell the hon. member for Frontenac that the best guarantee is the fact that the minister has included in Clause 5 of his bill, about his new department's objectives, two very important key words for the first time, and that is a good start, a good promise, if you will.

Of course, the law must be enforced and the purpose of today's debate is, I think, to provide the minister and his department with the guidelines needed to promote the two key words "sustainable development". I hope that, as we are doing today in this House, the new government elected in Quebec City will also pass legislation aimed at promoting sustainable development. I am sure that the hon. member for Frontenac, given his influence with his colleagues in Quebec's National Assembly,

will lobby, make representations to his provincial colleagues. The state of the St. Lawrence River is the result of past policies but today here in this House we are discussing the future. We are talking about the new behaviour for the industry of the future.

(1330)

I am sure that if the Government of Quebec does the same thing, sets the same goal for provincially-regulated industries, we will see considerable changes in the St. Lawrence River and in all other rivers in the country. But we must exert pressure, we must say that solutions exist and we must, of course, finds ways to demonstrate that the economy and the environment can be integrated.

[English]

Mr. Milliken: Mr. Speaker, pursuant to Standing Order 43(2), I wish to advise Your Honour that henceforth the members speaking on the government side will divide their time into two 10–minute periods with five minutes for questions and comments.

[Translation]

Mr. Jean Landry (Lotbinière): Mr. Speaker, I appreciate being allowed to speak today on the government's Bill C-46. At first glance, this bill only confirms the organizational changes made by the previous government in the summer of 1993. Caution, however, teaches us to read between the lines, and it is precisely between the lines that we see the reasons for opposing this bill.

In fact, the government should have put a stop to duplication and overlap by giving Quebec exclusive control over its economic development. Instead, the government is giving the Department of Industry authority over regional development in Quebec and in Ontario, contrary to what is happening in the West and in the Maritimes.

The Federal Office of Regional Development for Quebec is a Quebec regional development agency and is not created under the specific legislation. It on took an order in council to transfer the regional development responsibilities of the Minister of Industry to the Minister of Finance. Nothing, however, guarantees that this order in council will be issued. It worries me that one day Quebec's regional development will fall into the hands of a minister from another province, as happened in 1991. Regional development could become lost in the administrative structure of the Department of Industry, and, I repeat, this worries me.

Bill C-46, Mr. Speaker, is the result of the previous government's wish to rationalize the machinery of government. In going ahead and implementing it, the Liberal government must give proof that it will effectively reduce government waste. And this will be far from conclusive, when one looks at the unnecessary and costly expenditures resulting from duplication and

overlap within the federal government and between the Canadian and Quebec governments.

Since the study by Germain Julien and Marcel Proulx, who made public the overlapping of federal programs with certain provincial programs, just from the point of view of co-ordination, civil servants must meet close to 1,000 times a year to see if they are not offering the same services, to harmonize program objectives and to ensure that they are not incompatible.

(1335)

The Bélanger-Campeau Commission was clear on this point. If Quebec took charge of existing federal programs and provided the same services, we would save \$233 millions in transportation and communication expenditures, \$250 million in labour expenditures and \$289 million in expenses associated with the collection of duties and taxes.

How efficient are measures implemented by two levels of government? More often than not, they cancel each other out because of competition and even conflict arising between the federal and provincial government. Program co-ordination is made difficult since neither government is prepared to make serious concessions on objectives or priorities. Even the famous infrastructure program had some hiccups. Did the former Minister of Municipal Affairs in Quebec not receive a letter of reprimand from the minister responsible for the program?

Just to know what services and financial assistance programs are available and to comply with laws and regulations, our constituents are forced to make multiple inquiries to keep abreast of programs and services. This is quite a burden, even more so when the programs and services are overlapping. Businesses have to assign employees to gathering this information and eventually taxpayers and consumers are affected.

In addition, there are people who do not use certain services because they do not know about them and program duplication does nothing to help. In fact, it even complicates the matter further. The people have little control over the way they are governed because of the confusion caused by overlapping. Such fragmentation of action makes it impossible for any one level of government to influence the course of things and, to make things even worse, they pass the puck to each other.

The provinces do have the right to opt out of federal programs. They do get financial compensation, but only for joint programs, which account for only five per cent of all overlapping. For these reasons, I seriously question the capacity of the Department of Industry to prevent such squandering. The bill before us provides rather for the status quo with regards to the mandate of the amalgamated departments. Is this another instance of semblance of change? Divisions are indeed changing

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names, but are we merging and blending the players? Nothing in this bill points that way. Nevertheless, the people gave a mandate to reduce waste in the federal government.

The Liberal government talks about "one-stop shopping" as a way to rationalize its internal operations. We all agree that this is a step in the right direction. But be careful: a mere merger that increases the size of an organization also reduces its productivity and efficiency. As a result, the bureaucracy is even more cumbersome. The Liberals have not yet shown that savings will be made with this "single window" concept.

The one in Montreal for business people saves the government no money. Customer service is improved, but what about the promised streamlining? We are entitled to demand that the Liberal government carry out all the restructuring of the federal machinery presented in this House in various bills that were intended to save money. The Bloc Quebecois demands it on behalf of all Canadians and Quebecers.

This bill also confirms existing overlap in regional development. Why let the Department of Industry meddle in our territory? For years Quebec has demanded control in this area. We have a very particular view of our requirements in this field. The decentralization of funding and authority begun by the new government in Quebec is the response which the regions were waiting for to take charge of their own communities.

(1340)

The federal government would be well advised to do away with its centralizing attitude and instead implement this democratic vision of regional development. To say that regional development is neglected in Quebec is stating the obvious. Let me just mention the much publicised federal—provincial agreements on regional development in 1987 and 1988. I will admit that these agreements work very well in the western provinces and in the Maritimes. Indeed, since these agreements were signed, \$1.2 billion was spent in Atlantic Canada, \$630 million in the western provinces, and \$165 million in Quebec.

Our regions suffer from the multiple interventions in regional development and from a lack of consistency of government policies. Let me give you an example. Would you believe that the government subsidizes an industry through the Federal Office of Regional Development, the only Canadian industry in its sector, while also allowing one of its departments to buy equipment from a competing American company? Yet this is what is happening to an industry in my riding.

This is unacceptable. If you believe in a product and subsidize the related research and development efforts, should you not also promote its marketing? Not so with this government, it seems. That situation should be corrected as soon as possible.

In its report, the interdepartmental work group on regional development set up by the Quebec government in 1991 looked at the issue of multiple interventions in regional development and concluded that: "In the present context, we can see the following negative results linked to the interventions of the two levels of government: confusion in terms of the regional sense of belonging, since the federal regions do not correspond to the administrative regions in Quebec; duplication of structures, regional consulting organizations and economic development agencies, as well as setting up of management committees and programs to reconcile various types of interventions; duplication of activities which results in high operation costs, given the actual budgets invested in regional development; too many government stakeholders, a situation which frequently results in confusion at the regional level".

May I remind hon. members that these comments were taken from the final report of the interdepartmental task force on regional development, published by the Government of Quebec in 1991. Quebecers are sick and tired of seeing their money used for the regional development of other provinces. This money should go to help small businesses and create small businesses and jobs in Quebec. Quebec does not want regional development that is based on the strictly industrial vision of the Minister of Industry in Ottawa. Quebec has had enough of the federal government's meddling and inconsistencies. Long ago, Quebec realized that only regional players understood the real needs of their environment. Enough of these projects, one—shot interventions and political decisions that siphon off funding from projects that are working perfectly well.

This bill is unlikely to end the uncertainty that is rife within the regional development agency. The Federal Office of Regional Development—Quebec may be very anxious to harmonize its activities with Quebec's, but so far, it has not been successful. According to the Minister of Finance responsible for the office, it has not yet been able to harmonize its mandate with that of the Quebec government's business development centres, which means the centres are still at the mercy of unilateral decisions by Ottawa. For instance, the federal government is planning to merge the BDCs and CFCs, which are now the responsibility of the Department of Human Resources Development, and have a single agency that would come under the Federal Office of Regional Development. Representatives of these agencies in my region talked to me about their concerns. The very future of the Federal Office of Regional Development—Quebec is in jeopardy. Despite all the promises in the red book that regional development could be a high priority, the office's budget is shrinking.

(1345)

In 1993–94, the office's budget was \$232 million, which is expected to drop by \$70 million over the next three years. After these cuts, the budget for the Federal Office of Regional Development will be down to \$162 million, compared with \$200 million for the West and \$214 million for the Maritimes.

The concerns of the agencies responsible for regional development are quite understandable, considering the way the Federal Office of Regional Development operates. The office has failed to harmonize its activities with the comprehensive vision of local development established by the BDCs and the CFCs.

Programs designed in Ottawa and implemented in our regions do not always respond to the real needs of the people. The money is spread around without any real input from the community. The federal government should consider the strategic planning priorities of Quebec's regional municipalities and regions, in order to maximize the impact of activities by regional agencies responsible for local development.

As long as decision—making and budgeting remain centralized in Ottawa, the regions will not be able to establish the base they need for continuing development. Geographic isolation is one thing, but it is nothing compared with the remoteness of the decision—making process.

The Bélanger-Campeau Commission realized that the future of regional development in Quebec depended on the regions controlling the levers of development. I wish the government would do something and admit it is not on the right track with regional development in Quebec. The fact is that the economic base is foundering, the social fabric is disintegrating, the rural exodus has not been stemmed and young people are still the first ones to leave.

Remote areas are crying out for help and with good reason. Federal funding to Quebec regions has increased by 50 per cent since 1983, whereas during the same period it has increased by 300 per cent in western Canada and by 250 per cent in the Maritimes.

On a per capita basis, the results are even more catastrophic. In 1987, per capita federal spending was \$431 in the Maritimes, \$259 in western Canada and \$64 in Quebec.

How can we bring some balance back? The federal government must reduce expenditures, eliminate tax breaks for family trusts as well as waste resulting from overlapping and duplication due mainly to infringement upon provincial jurisdictions. The billions of dollars saved this way could be used to bring some fairness back into federal funding of Quebec regional development.

In the last budget speech, the federal government announced that it would not renew subsidiary agreements respecting forestry and mining. And yet it is in these two areas that subsidiary agreements have been the most beneficial for Quebec. The Eastern Quebec Development Plan, which will no longer be funded, is a case in point. Close to 6,000 woodlot owners are extremely worried. In other areas, the government is reluctant to renew its agreements. Federal subsidies to farming amount to \$225 million, \$25.5 million of which, only 10 per cent of the envelope, goes to Quebec. For transportation, Quebec gets only \$165 million, or 13 per cent, out of a total of \$1.1 billion, slim pickings indeed.

Let us settle the matter once and for all by repatriating this money—in the form of tax points—so that it can be managed by Quebec. Regional development will be a winner. This is what we are all hoping for.

All kinds of small steps can help us get out of this mess. Nowhere in the red book is it suggested that investors be allowed to pump federally guaranteed venture capital into local businesses. And yet, this is the kind of solution people are offering to help their region.

(1350)

The new Quebec government has developed a real regional development policy. The Parti Quebecois wants to promote in that respect the assumption of responsibility by the stakeholders, in a context of freer trade which eliminates some trade barriers and opens the regional economy up to stiff competition.

Let me quote some of the objectives of this positive policy which could serve as a model: high level of employment, competitive export-oriented economy based on sustainable development, continuity and high added value, better quality of life in large communities, viable land use and many more.

No consensus can be achieved at the federal level regarding regional development because priorities vary from province to province and from region to region. That is why we are stressing the need to decentralize budgets and decision—making powers. The future calls for a decentralization of powers towards decision—making units, that is to say the regions, these being in a better position to assess their own situation. This bill should be rejected because it does not provide Quebec with exclusive control over regional development.

[English]

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I listened with great interest to my colleague's discourse regarding this bill.

Of particular interest was the concern about overlap. It is a concern many members on all sides of the House share based on the concept that we should get as many efficiencies into government as we possibly can.

My question for the hon. member would follow that if we were to simply remove the federal government from this debate, we would be left with the provincial governments which would then have an overlap problem with the municipalities. Would it not be better for us, as a national government, to set priorities nationally? Then to the best degree possible we could devolve responsibility for managing these programs to that order of government closest to the people being served.

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[Translation]

Mr. Landry: Mr. Speaker, I am very pleased to answer this question because I know that, like us, our colleagues from the other party on this side are here to cut public spending and also to try and put some degree of order back in our fiscal house.

To answer my hon. colleague's question, with respect to duplication and overlapping, let me tell you that when we look at the statistics, precise figures—not my own but rather extremely precise figures provided by economists—and see a government reducing its activities and hear people say: "Look, we might as well let the federal government run it all", I for one cannot believe my ears.

When a problem arises in a community, a province or a country, I have a rule of thumb that goes like this: who is in the best position to resolve the problem? It may be the municipal, provincial or federal government. I think this is the basis for taking our problems in our own hands because we are the ones who are in the best position to assess the problem. Look, we know that savings would be achieved. We know that. It was established beyond any doubt.

These savings could be used, as I said repeatedly, to create jobs and put Canada back to work. Then we would be truly entitled to tell the people watching us and listening to us: "We have done something for the people of Canada and Quebec". And that is what I strive to do in this House to work and plead so that something is really done for all Canadians and Quebecers.

(1355)

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, I would like to commend my colleague from Lotbinière for his speech on Bill C–46. I would also like to comment on the remarks of my Reform colleague whose question seems very relevant in the political and economic debate Quebecers and Canadians are now engaged in, because he presents the problem in appropriate terms.

Regional development is one of the main reasons why there are sovereignists in Quebec. Some Quebecers want Quebec to take its destiny into its own hands because the federal government's priorities will never coincide with those of Quebecers and their government. That is not necessarily the case in the rest of Canada as such. Given Canadians' sense of belonging compared with that of Quebecers, we know that Canada can develop its own internal logic in terms of development because there seems to be a strong consensus.

As my colleague just said, the federal government can set Canadian standards from the Pacific to some point in the East, but the Government of Quebec and Quebecers themselves will always be opposed to Canadian standards that would apply to Quebec.

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Therefore, I congratulate the hon. member for asking a relevant question that is at the heart of the constitutional debate that concerns us and keeps us busy, Mr. Speaker.

Mr. Landry: Mr. Speaker, I would like to add something. The relationship between the federal and provincial governments reminds me a little of a family where, one day, the son tells his father: "Dad, I would like to start a business." So the father answers: "No, son, stay with me, am I not taking good care of you?" The father stands in the way of the son's development, prevents him from spreading his wings instead of saying, "Look, son, you are old enough to leave the nest." That is what we are asking for. We want to leave the nest so we can take control of our own destiny and continue to negotiate the same thing.

We keep on explaining that we do not want borders and barriers. What we want is good communications but we must get back what we are entitled to. For example, when we were talking about manpower training earlier, they said they wanted to save \$250 million. If you want to throw away that \$250 million, go ahead, but I myself would like to save it because money is important to me and I would like to re—invest it in my province, in small businesses and all that.

The Speaker: It being 2 p.m., the House will now proceed to Statements by Members, pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[English]

CASTLE KILBRIDE

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, I am pleased to announce the opening of Castle Kilbride, Canada's newest heritage site.

On Sunday, September 25, thousands of local citizens gathered to commemorate this important occasion. It was my honour to present the certificate on behalf of the Prime Minister and the Government of Canada to the mayor of Wilmot to be placed in a time capsule. The Parliamentary Secretary to the Minister of Canadian Heritage did an excellent job in representing the minister on this occasion.

Castle Kilbride, situated in Baden, Ontario, was built in 1877 as a showpiece of the Livingstone family. This stately home, Italianate in design, incorporates many unique features, including gresco paintings on the ceiling which are unrivalled in Canada, as well as many other beautiful original fixtures.

Most important, it provides us and generations to come with a fascinating look at the past. None of this would have been possible without the co-operation of all levels of government, as well as the tireless efforts of the mayor and the council of the township of Wilmot, supported by an army of volunteers from Wilmot township in Waterloo county.

* * *

[Translation]

GUN CONTROL

Mrs. Pierrette Venne (Saint-Hubert): Mr. Speaker, on hearing what some Liberal members are saying, I wonder if the Minister of Justice is not giving in to pressure from the gun lobby. The great majority of Canadians and Quebecers favour stricter gun control, especially for military weapons and handguns.

Given the consensus on this issue in Quebec, I would like to remind the minister that if the (Quebec) National Assembly had exclusive jurisdiction over the Criminal Code, effective gun control legislation would have been passed long ago. How many lives would have been saved if Quebec already had such legislation in force?

Representatives of associations of women, victims of violent crime, emergency physicians and big—city police from Quebec and Canada are all in favour of better gun control. Is the Minister of Justice listening to the people?

* * *

[English]

YOUNG OFFENDERS ACT

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, on Sunday in Coquitlam, British Columbia, a march and rally were held to display the public's dissatisfaction with the current Young Offenders Act. This rally was the largest anti–crime rally ever staged in British Columbia, with over 3,000 residents attending.

The Reform member for Port Moody—Coquitlam, who was a catalyst behind the rally, remarked that the most frequently heard phrase was that the Young Offenders Act is a joke. Another comment often heard from the crowd was that the courts are more concerned with the rights and protection of the offender as opposed to the rights and protection of the victim.

Those at the rally presented several clear messages: lower the age of the young offender, instil harsher penalties and publicize the names of offenders in order that the community will be better protected.

The clearest message of all was for the Minister of Justice to step out of his glass office and respect the pleas of the majority of Canadians who want an act that represents mainstream Canadian values, and they do not mean Bill C-37.

* * *

THE ENVIRONMENT

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, this weekend I had the privilege of attending the annual general assembly of the Canadian Environmental Network. I commend this organization for once again bringing together Canada's most active environmentalists for several days of thought provoking discussion.

I listened carefully during the weekend and in addition to the sharing of information I heard the general frustration expressed with regard to how the Liberal government is responding to critical environmental issues.

For example, the government has been in office almost 12 months and still has not proclaimed Bill C-13, the Environmental Assessment Act. Second, the government is responsible for the environmental assessment of low level military flight training in Labrador and has been most unfair to the Innu during this assessment process.

The federal government is considering funding cuts to the so-called interest groups such as the Canadian Environmental Network, the very groups that by their efforts have the ability to save governments money in the long run.

My congratulations to CEN on this year's annual general assembly.

. . .

ELITE SEED FARM

Mr. Wayne Easter (Malpeque): Mr. Speaker, I rise to congratulate the P.E.I potato industry on the implementation of its five—year plan aimed at expanding the facilities and services at the Elite Seed Farm on Fox Island, P.E.I.

This newly renovated facility which is owned by the primary producers now has the distinction of being the only one of its kind in Canada. The facility's new laboratory gives it the capacity to produce disease free plantlets. The new production and handling equipment will provide more efficient and environmentally safe services to producers and consumers.

It will also play a significant role in marketing P.E.I. potatoes through the use of its conference facilities that will attract trade missions from around the world. This concept of attracting trade missions and on site explanations to the industry has been used by the CIGI in Winnipeg for years.

I congratulate the government and the industry on the co-operative approach taken.

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LABOUR TRAINING

Mr. Alex Shepherd (Durham): Mr. Speaker, I would like to address the matter of labour training adjustment boards and how important it is to retrain our workforce so that Canada can compete in the international environment. This is the best way to deal with structural unemployment.

Labour force adjustment boards are staffed by local stakeholders in the training process. Since many of these recipients are on unemployment insurance it is important there there be some form of co-operation between Canada Employment and the boards. This is the only sensible course since it will ensure proper program delivery.

Training must have both a local and a national component to ensure the portability of newly acquired skills. We need to work together to increase the technical skills of all our labour force from sea to sea to sea.

* * *

REBUILT RESOURCES SKILLS DEVELOPMENT INCORPORATED

Mr. Bob Wood (Nipissing): Mr. Speaker, the North Bay area is celebrating the grand opening of Rebuilt Resources Skills Development Incorporated, another example of how Environment Canada's environmental citizenship initiative is helping Canadians work together to improve the environment.

Environment Canada has invested \$56,000 in this partnership through the environmental partners fund. To date this partnership has resulted in over 340 tonnes of material being diverted from the local landfill.

(1405)

The collected materials are reused and recycled where possible. Other items are used to furnish homes for low income families. Often the items are repaired and sold at the warehouse, resulting in a contribution to the local economy.

As a result of the centre's effort the project is now self-sustaining. Rebuild Resources currently employs four full time staff, three part time staff, and depends on its numerous volunteers.

This project could not have been possible without the support of community partners such as the Ontario Ministry of Environment and Energy, the Sands Motor Inn, the Shell Environmental Fund, the Callander Lion's Club, and Employment and Immigration Canada.

Through the environmental citizenship initiative these Canadians were able to translate these environmental concerns into tangible action.

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[Translation]

SOCIAL PROGRAM REFORM

Mr. Richard Bélisle (La Prairie): Mr. Speaker, last week the Canadian Council on Social Development published its latest report on the alarming increase of poverty in Canada.

According to the council's report, social programs are working, but the labour market is very sluggish and is responsible for the problems of unemployment and poverty that we are experiencing. The Bloc Quebecois has been repeating this message since the minister launched his reform of social programs. The federal government should first and foremost concentrate its energy on an active employment policy.

The Liberals, however, have identified social programs as the main disincentive to work and have decided to cut them as a way to encourage beneficiaries to return to work. The government is working on the consequences of the problem and not on its causes. The minister will find plenty in the council's report to redirect his approach and give hope to all those who are excluded from the labour market.

* * *

[English]

JUSTICE

Ms. Val Meredith (Surrey—White Rock—South Langley): Mr. Speaker, yesterday a thousand law enforcement officers marched on Parliament Hill in the memorial for the 10 officers who were killed in the line of duty last year.

Today 51 names of prison guards, conservation officers and customs officials killed since 1967 were added.

Though all occupational deaths are tragic, the deaths of peace officers are even more so because they frequently come at the hands of someone else.

Many of these deaths could be prevented but they will only be prevented if we do our job in this House and pass the legislation necessary to get dangerous criminals off the streets of Canada.

We need an efficient removal system for our immigration department. We need gun control legislation that targets criminals and not the law-abiding Canadian public. We need to immediately revoke section 745 of the Criminal Code so that those individuals who murder police officers will have to serve the minimum 25 years that they were sentenced.

I join with the Solicitor General in calling for a memorial service next year when no new names are added to that list. Let us not forget that the decisions we make in this House may make a difference in attaining that goal.

NORTHERN HEMISPHERE DISTRIBUTION ALLIANCE INCORPORATED

Mr. John Harvard (Winnipeg St. James): Mr. Speaker, Winnipeg's future as an air transportation hub for all of North America got a much needed shot in the arm this month. Northern Hemisphere Distribution Alliance Incorporated will receive up to \$620,000 in federal government funding to research opportunities and develop action plans to realize its goal.

Local firms have come together with the Winnipeg airport to develop a multimodal transportation centre to act as a transfer point for cargo between the markets of the Pacific rim, Europe and North America.

This initiative has strong potential to create 6,000 new jobs in Manitoba, generate \$105 million in tax revenue for the three levels of government and hundreds of millions of dollars worth of economic activity. It shows the benefits of co-operation between the private sector and government to foster growth in Manitoba and all of Canada.

I commend the Minister of Human Resources Development for his leadership in bringing this dream closer to reality.

* * *

THE UNITED WAY

Mrs. Brenda Chamberlain (Guelph—Wellington): Mr. Speaker, the United Way touches the lives of many Canadians. The United Way in Guelph—Wellington provides benefits throughout our community.

This organization cannot survive without our generosity. Donations ensure that many agencies provide valuable service to thousands in need.

This year the United Way has set a target of \$1,115,000 in Guelph—Wellington. Besides the needed financial support United Way agencies are supported by volunteers and devoted staff such as Morris Twist, executive director of the social planning council.

I urge the residents of Guelph—Wellington to continue the good work of the United Way. Our dollars go to ensuring improved social well-being for our neighbours and friends. This agency truly does care.

* * *

INFRASTRUCTURE

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, the city of Waterloo has been experiencing a major problem with the deterioration of sewer lines in part of the city where black pipe has been used.

(1410)

This is a common problem in many Canadian municipalities. To replace underground service the usual practice has been to dig a trench for the main pipe located below the road to the

residence, a practice that is expensive, unsightly and restricts traffic flow.

This problem is being met by the creation of the Centre for Advancement of Trenchless Technologies at the University of Waterloo, with initial sponsorship provided by NRC, Ontario Centre for Environmental Technology Advancement, the city of Waterloo and private industry.

Trenchless technology holds the key to effective future maintenance and rehabilitational below ground infrastructure in Canada.

I would like to congratulate all the parties involved in this most important innovation that will benefit all Canadians.

* * *

[Translation]

CENTRES OF EXCELLENCE FOR WOMEN'S HEALTH

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, yesterday, the Minister of Health announced that centres of excellence for women's health would be created very shortly. What do we know about these centres? Not much, except that they will be geared to the particular needs of women. This is a rather vague federal initiative, where the provinces seem to have been left out of the implementation process.

Are these centres for excellence another empty shell, without authority or resources, stuck in a consultative role and remote from the decision—making centres? Medical research on women's health care needs to be re—evaluated. Considering the alarming number of women suffering from breast and lung cancer, it is a question that all women in Quebec and Canada are asking, prior to the final announcement.

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[English]

THE ECONOMY

Mr. Jim Silye (Calgary Centre): Mr. Speaker, the national debt of \$530 billion-plus and the interest costs to service this debt are the single biggest problem facing Canada today.

Despite this fact, this government still spends \$110 million more per day than it brings in. I challenge the team in red to stop hiding its head in its little red playbook, get off its benches, off the sidelines and make a real play for Canadians.

I ask the coach of the Liberal team: Who is prepared to stand up and take responsibility for this fiscal mismanagement? What serious actions is it willing to take? Where is the accountability and the spending cuts promised by the finance minister? When S. O. 31

can Canadians expect tax relief from this government rather than tax grief? Why will no one on the other side do something about balancing the budget rather than consulting for another year?

The national debt clock today stands at \$531,946,016,332.04. This Liberal government is adding to our debt at the rate of \$1,473 per second. This amount keeps on ticking while the government just keeps on talking.

* * *

VILLA MARCONI

Ms. Marlene Catterall (Ottawa West): Mr. Speaker, I rise today to congratulate the fund raising committee of the Villa Marconi on its very successful golf tournament held to raise funds for a seniors residence for Canadians of Italian extraction.

I want to especially congratulate the winning foursome headed by the one and only unbeatable Minister of Citizenship and Immigration. While the minister may have temporarily harmed my political popularity by walking away with all the best prizes, I want to thank him for his important contribution to this great event.

It is good to know that a member of Parliament can come to this community, become part of it and participate in this kind of event to the benefit of the Italian Canadian community in the national capital.

* * *

PEACE OFFICERS

Mr. Peter Milliken (Kingston and the Islands): Mr. Speaker, I wish to inform the House of the peace officers memorial service conducted earlier today on Parliament Hill. This service honoured those persons who put their lives on the line every day, our correctional and police officers.

As the member for Kingston and the Islands, I have had the opportunity to see many of these courageous men and women in action. Our justice system relies on these people to make Canada a safe and secure place.

Today a commemorative plaque was unveiled in honour of the 51 peace officers killed in the line of duty since Confederation.

This plaque, however, should not be looked upon as a monument dedicated only to those who have lost their lives. It should be a reminder to all Canadians of the sacrifices and hard work of our peace officers that they perform on a daily basis.

On behalf of all members I applaud and thank the efforts of each and every one of Canada's peace officers. We are truly grateful.

ORAL QUESTION PERIOD

[Translation]

REFORM OF SOCIAL PROGRAMS

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the CBC has obtained a copy of the proposed reform of our social programs that was submitted to cabinet last week by the Minister of Human Resources Development. The document says that the minister wants to centralize unemployment insurance, make enrolment in training courses compulsory for unemployment insurance recipients and make the spouse's income a factor in establishing eligibility for benefits.

(1415)

My question is directed to the Prime Minister. Would he confirm that his government intends to centralize the administration of social programs, which today is a provincial responsibility under the Constitution?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the answer is no.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I realize that these documents, whose existence was alleged and reported by the CBC, are not official documents, but I think the public is starting to question the government's intentions, considering that the newspapers have documents which are said to have been submitted to cabinet.

I want to ask the Prime Minister if, in its proposed reform, the government intends to oblige the unemployed to take training courses, in order to be eligible for benefits?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we will have an official document next week, and if the hon. member wishes to make the usual comments under the circumstances, he will have to wait until the document is released. A week from now he will get all the answers to the questions he is asking now.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, this document, whose existence is alleged by the CBC, exists. It is not a forgery. It is a document from a government source. So this document is disturbing, on the face of it, and I want to ask the government to tell us whether, as the document indicates, it intends to come down hard on women by making the income of the spouse an obstacle to their being eligible for their own benefits?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we will have an officially authorized document, not one obtained by a third party, at the beginning of next week, and the Leader of the Opposition will be able to make the usual comments at that time.

HAITI

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, one week after the intervention of American forces in Port-au-Prince, U.S. President Bill Clinton announced this morning before the UN General Assembly the immediate lifting of American trade sanctions against Haiti. President Clinton also urged other nations to do the same.

My question is for the Prime Minister. Will he tell us if Canada intends to lift its trade sanctions against Haiti today, as requested by the U.S. President?

[English]

Hon. Christine Stewart (Secretary of State (Latin America and Africa)): Mr. Speaker, it is correct that President Clinton announced this morning that he would lift commercial flight sanctions as well as financial transactions that were imposed against Haiti as long as it did not apply to the military in Haiti.

Canada is willing to follow suit but first we want to see President Aristide's request for this which was made yesterday. It must be recognized that we cannot lift our own sanctions except by order in council.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I have a supplementary for the Prime Minister. Will he tell us when air connections between Canada and Haiti will be resumed?

[English]

Hon. Christine Stewart (Secretary of State (Latin America and Africa)): Mr. Speaker, as I just stated, Canada is willing to look at lifting this particular sanction against Haiti but it will have to be pursued through an order in council. I expect that will be pursued as soon as possible.

TAXATION

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, the finance minister has refused to rule out new taxes

on RRSPs. On Friday further alarm bells rang right across Canada when the Secretary of State for International Financial Institutions also refused to rule out taxes on private sector and public service pension plans.

It is time to clear the air, so I ask the Minister of Finance for clarification. Has he ruled out new taxes on private sector and public service pension plans?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, we have made it very clear that the essence of the consultation process requires debate with

Canadians as to the tradeoffs and as to the measures they eventually expect the government to take. It would be to preclude that process for me to engage in individual comment on any suggestion at this time.

(1420)

We look forward to the contributions of the members of the Reform Party and the Bloc Quebecois throughout that process on the finance committee. Members of the Reform Party simply do not understand the importance of this initiative by the government.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, certainly we understand consultation but we must have something to consult about. That is why we are asking the government some questions; we are asking questions because we need some answers.

From the minister's reply we can only conclude—and it is the only conclusion we can draw—that the government is considering a tax rate not only on RRSPs but on company pension plans and public service pensions. Millions of Canadians count on them for their retirement.

Why is the minister contemplating punishing Canadians for the irresponsible spending of his government?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, we are not contemplating punishing Canadians. If there was irresponsible spending it was by the previous government. A great number of them were supported by members of the Reform Party.

We are about to embark upon the most comprehensive consultation process in terms of prebudget discussion that has ever been held. I do not understand why the members of the Reform Party are so anti-democratic that they fail to understand Canadians deserve to have their voices heard.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, no party worked harder to remove the previous administration because of its fiscal mismanagement than the Reform Party. No party will work harder to remove the Liberal government if it continues to spend \$100 billion more than it takes in revenue in its term.

Canadians are concerned. They suspect the new pension plan taxes are somehow related to the long delayed social policy review.

Why is the minister contemplating robbing Peter to pay Paul, or should I say robbing Lloyd to pay Paul? Why is the government making Canadians more dependent on underfunded programs such as the old age security or the Canada pension plan by taking away their personal retirement savings?

Oral Questions

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, during Wednesday's question period the member for Calgary West stated that it was in the interest of his party and should be in the interest of the government to get the views of all Canadians on the unity of the country. He then went on to say: "I am surprised the Prime Minister does not want that".

I am surprised, indeed astonished, that the member does not want us to consult with Canadians on the economic future of our country.

* * *

[Translation]

1992 REFERENDUM

Mr. Michel Gauthier (Roberval): Mr. Speaker, Quebec paid all the costs of the referendum on the Charlottetown Accord in that province and also absorbed 25 per cent of the costs related to that same referendum in the other Canadian provinces. Last Thursday, the Minister of Intergovernmental Affairs said to the media that the federal government owes nothing to Quebec, since he had no confirmation of an agreement between the Prime Minister and Premier of the time, Mr. Mulroney and Mr. Bourassa.

My question is for the Prime Minister. Will he tell us if he instructed his staff to check with former Prime Minister Mulroney whether such an agreement existed, as claimed by Mr. Bourassa?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the answer is yes.

Mr. Michel Gauthier (Roberval): Mr. Speaker, will the Prime Minister be kind enough to inform this House and all Quebecers of the results of this exercise, so that we know whether or not to expect payment of this \$26-million debt owed to Quebec by the federal government?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I do not expect to have a definite answer for several days yet.

* * *

[English]

SALMON FISHERY

Mr. John Cummins (Delta): Mr. Speaker, returns of early Stuart sockeye plummeted this year to the disastrous lows of 1992.

A leaked DFO document clearly lays the blame on the government for mismanagement and on a severely reduced enforcement effort on the Fraser River.

(1425)

Will the minister commit to an independent review of management and enforcement practices on the Fraser River before our stocks reach the disastrous levels of those on the east coast?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, absolutely.

Mr. John Cummins (Delta): Mr. Speaker, I understand that to mean an independent review.

As a result of the leaked document reliable sources within the department report that in an effort to cover up mismanagement on the Fraser River this year, reports are being shredded and departmental personnel are being moved and transferred.

Will the minister assure the House that the witch-hunt in the Department of Fisheries and Oceans will cease immediately and that no one will be penalized for releasing documents that will lead to the truth about the missing fish?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I would suggest we should be more concerned given that question with a sense of missing balance, fairness and reason in the House.

The fact of the matter is-

Mr. Hermanson: You don't know the answer.

Mr. Tobin: My colleague from the Reform Party doing politics a new way interrupts my attempt to give a complete answer.

The fact of the matter is that DFO will be announcing a completely independent review of the circumstances regarding the situation with respect to sockeye on the Fraser River. The review will involve four individuals, none of whom is involved with DFO, all of whom are experts in their fields outside the Department of Fisheries and Oceans.

All the facts will be out. The chips will fall where they may. The attempt at paranoia, smear and accusation launched today will fail.

* * *

[Translation]

PENSION PLANS

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, my question is for the Minister of Finance.

For the past year, the minister has been going after middle income earners and the poorest members of society to replenish the government's coffers. The odious cuts in the unemployment insurance program and age credit announced in the last budget are cases in point. The minister is relentless in his attacks and is now considering taxing pension plan contributions.

Can the Minister of Finance confirm whether or not he intends to tax pension plan contributions?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I have already answered this question. What we are really seeking is a consultation process that is as open as possible. It is not for me to talk about or comment on particular suggestions as long as the finance committee has not presented its report. I am certain that the hon. member does not want to interfere with the process we have set in motion.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I will rephrase my question: is the minister going to go on attacking middle income earners and ordinary taxpayers by taxing RRSPs and pension plans or is he going to go after the 2,000 taxpayers who last year did not pay a cent in taxes, rich Canadian individuals and companies who, more often than not, are defrauding Revenue Canada? This is the real question, Mr. Speaker.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, clearly, in our last budget, we closed some of the loopholes which allowed some Canadians to not pay any taxes, namely by eliminating the \$100,000 capital gain exemption which was by far the main reason for this.

It is very clear that what the member really wants is to do away with the consultation process. I would like to quote what the Reform member for Lethbridge had to say about our consultation process. "It is the most open budget process I ever was involved in. Efforts to open up the budget process and to take into account pre-budget consultations are a welcome innovation".

Could it be that the Bloc Quebecois is less democratic than the Reform Party?

* * *

[English]

ABORIGINAL AFFAIRS

Mr. Grant Hill (Macleod): Mr. Speaker, many native communities in Canada have squalid conditions.

(1430)

The health minister today announced a \$243 million program to alleviate some of the squalid conditions. The Canadian Medical Association has other solutions: clean water, more aboriginal physicians.

I wonder if the minister could comment on whether her program addresses those fundamental problems of our natives.

Hon. Diane Marleau (Minister of Health): Mr. Speaker, the announcement this morning had to do with the health of aboriginal communities, helping them heal themselves. It is meant to

deal with the very real problems of aboriginal suicide, solvent abuse and nursing problems.

That is my responsibility and I am very committed to it. I think we have made a great step forward in helping aboriginal communities help themselves.

Mr. Grant Hill (Macleod): Mr. Speaker, the Auditor General has identified \$85 million in inefficiencies in the non-insured native health care plan.

Can the minister tell us today what mechanisms there are in this program to address accountability and inefficiency?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, we have taken some steps to address the concerns of the Auditor General. In this particular program we are working with aboriginals so they administer their own programs.

When a person takes responsibility of his own actions then the dollars spent are spent far more wisely.

[Translation]

LOBBYISTS

Mr. Michel Bellehumeur (Berthier-Montcalm): Mr. Speaker, lobbyists have just shown how effective they are. According to documents obtained under the Access to Information Act, they have apparently managed to influence the very legislation that was to limit their influence.

Does the Prime Minister admit that, once again, lobbyists have demonstrated their effectiveness by extensively watering down the red book's commitment to limit their sphere of influence?

[English]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would like to bring to the member's attention that this bill is before the parliamentary committee right now. We will be listening to all recommendations.

At this point there is opportunity for amendments. If those amendments make sense then the government will look at them.

[Translation]

Mr. Michel Bellehumeur (Berthier-Montcalm): Mr. Speaker, I consider the reply to be a negation of my statement, and I ask the Prime Minister again, in light of this reply, how he can say that this bill has not been influenced by lobbyists, given the noticeable absence of provisions to force lobbyists to divulge their fees as well as provisions to eliminate the tax deduction for expenses incurred by businesses to engage the services of lobbyists, provisions they were demanding when they formed the opposition.

[English]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, we have taken all of the recommendations that the previous parliamentary committee put forward during the last session of Parliament.

As I stated earlier in my answer, it is before committee right now and work is just beginning. Our second session is this afternoon. We fully expect that members of the opposition will bring ideas forward. We will debate these. If they are in the best interests of making the bill better then we are prepared to amend the bill.

ELECTORAL BOUNDARIES READJUSTMENT ACT

Mr. Réginald Bélair (Cochrane—Superior): Mr. Speaker, my question is for the government House leader. I have obtained a draft of the report of the Electoral Boundaries Commission for Ontario recommending that the riding of Cochrane-Superior be abolished and annexed to existing ridings.

[Translation]

My question is for the government House leader. What can the eleven members of Northern Ontario ridings and their constituents do to ensure that we may continue to be represented by eleven members in this House instead of ten, as recommended by the commission?

[English]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the hon, member has raised an important point. As the House knows, the House committee on procedure and elections is currently holding hearings with a view to making recommendations for new legislation on redistribution. I understand it may be completing its work in the next month or so.

The government will take that report seriously when presenting new legislation. If that legislation is adopted before next June then the process which has so concerned the hon. member and his colleagues will not go into effect. Instead the redistribution will be based on the new legislation.

AGRICULTURE

Mr. Jake E. Hoeppner (Lisgar—Marquette): Mr. Speaker, last Thursday two Manitoba farmers had their homes searched by Canada customs officials and RCMP to confiscate documents related to the export of wheat to the U.S. One of these farmers was not even given the opportunity to be at home when three special customs agents and six RCMP approached his wife and family with search warrants.

My question is for the right hon. Prime Minister. Is this the Liberal government's approach to dealing with hard working farmers who are trying to make a decent living?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, it would not be appropriate for any member of the House of Commons to comment on an RCMP investigation. The question should be directed to the Solicitor General or to the Minister of National Revenue.

On the policy issue that is involved there are obviously laws in place in Canada today dealing with the appropriate procedure by which grain may be exported. In a civilized and democratic society it is important that all of the laws be obeyed, not just those with which we may selectively agree or disagree.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, one of the farmers my colleague referred to is Andy McMechan who took advantage of the open borders guaranteed under the free trade agreement to avert foreclosure by the Farm Credit Corporation.

Why is the Prime Minister and his cabinet treating these farmers like drug dealers with these heavy-handed tactics?

An hon. member: They are breaking the law.

Mr. Benoit: Why do they not instead do the right thing and allow farmers to elect a board of directors to give them control over their organization, the Canadian Wheat Board?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, in response to a question in the House last week pertaining to marketing systems for Canadian wheat, I indicated that I would be providing a forum later on this fall at which the differing views on the subject can be expressed.

It is true to say that there are farmers in western Canada who hold profoundly different opinions on the question of the appropriate marketing system to have in place for their grain. I think it is appropriate that they should be provided with a forum within which the different sides of that particular debate can be aired so that when any future decisions are made they are based on facts and solid information and not merely on innuendo.

* * *

[Translation]

FISHING QUOTAS

Mr. Yvan Bernier (**Gaspé**): Mr. Speaker, last July, the Minister of Fisheries and Oceans refused to grant Quebec fishermen turbot fishing quotas after having encouraged them in the spring to gear up for this type of operation.

Considering that it was at his suggestion that they equipped themselves for turbot fishing, does the fisheries minister undertake today to fully compensate Gaspesian fishermen, who have invested one million dollars to be able to fish the quotas the minister subsequently refused them?

[English]

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I am extremely surprised at this question, given that on at least three or four occasions the member asked me for private discussions just outside that door about this matter. On each of those occasions I explained to the member that the scientific evidence with respect to turbot was very bad. He agreed. I told the member that it was extremely unlikely that there would be new licences.

The member knows it is absolutely false to suggest that the federal government encouraged people either in Quebec or in Newfoundland, because this occurred in both places, to gear up for a fishery that was not going to take place.

The member should also know that on Monday past the wisdom of the federal position in Ottawa in taking a conservationists stance was confirmed when the North Atlantic Fisheries Organization and all of the member states from around the world in that organization slashed international quotas by over 50 per cent and for the first time regulated the turbot catch because of the critical condition of these stocks.

(1440)

[Translation]

Mr. Yvan Bernier (Gaspé): Mr. Speaker, my question is in the public domain. Informal discussions—I would also like to remind the hon. minister that, on July 25, he publicly stated that he had encouraged the fishermen to do so. I will give him another chance and phrase my question differently.

How can the minister reconcile refusing turbot quotas to Gaspesian fishermen with offering the major part of the remaining turbot quota to a single company, namely Seafreez, a company located in his riding and one that used Russian trawlers?

[English]

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, what the member is not saying—and this is regrettable, and may I say to the member personally, surprising—is that the Seafreez operation he is talking about is up in the Davis Strait in area O. It is an area so far north that no Canadian vessel of any sort is operating there or has ever operated there, and no vessel in Quebec or Newfoundland or anywhere in Atlantic Canada has the technological ability to be up there.

With the exception of the offshore shrimp fleet, what the hon. member is not saying is that Seafreez has been up there for the last five or six years and had developed this fishery in the day when the previous administration and a minister on the other side of the House made those decisions.

To somehow give the impression as had been left, that this is a new decision and a new allocation by the current minister is false. Not a pound of the turbot is processed in Newfoundland, let alone my riding. It is processed in Canso, Nova Scotia.

JUSTICE

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, on February 4 I asked the justice minister to take action to review the Patrick Kelly case.

Despite the fact the minister said he would act on this matter, seven months have passed and still Mr. Kelly's lawyer has not received the complete police files necessary to prepare for the review.

Will the minister commit to the House that he will release the complete set of police files immediately?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, in the last analysis, because this is an application under section 690 of the Criminal Code, I am personally responsible for dealing with the merits of Mr. Kelly's application for the crown's mercy.

It is a responsibility I take very seriously. The process that has been in place since the day we received the application in early 1994 has been monitored on a regular basis.

The member makes reference to police records. Representatives on my behalf attended at the police headquarters in Toronto to review the entire police file. We have taken the position with counsel for Mr. Kelly that we will disclose to him all of those records that are relevant to the issues raised in the application, and that will be done.

I can tell the hon. member that day by day and week by week I am monitoring this investigation. It is being conducted thoroughly and is entirely in accordance with reasonable time limits.

Mr. Bill Gilmour (Comox—Alberni): Mr. Speaker, it is interesting to note that there is not an independent inquiry in this case as suggested by the Marshall commission and, more important, that the key witness who said that she lied has never been interviewed.

Where is the justice in this case?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the justice in this as in all other cases will come from a thorough, methodical and objective analysis of the facts.

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It is easy to suggest, if one's only point of reference is reports in the media, that the witness who allegedly recanted her testimony should by now have been interviewed. However, an acquaintance with the facts of this case would also lead one to conclude that before any such interview is carried out the persons doing it should examine all the documents, be conversant with the entire record, and know exactly what questions to ask.

* * * THE ENVIRONMENT

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, my question is for the Deputy Prime Minister.

Canadian environmental industries today employ over 150,000 people with annual sales of \$11 billion.

(1445

Will the Deputy Prime Minister tell this House what the government intends to do to ensure this growing and important part of our economy has the necessary tools to compete tomorrow and into the 21st century?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I will not take the time of this House to read the announcement we made on Thursday. I will however repeat that this government intends to aggressively make sure that Canada's green jobs become the green jobs not only by government procurement but also for export around the world.

As a matter of fact, the Minister for the Environment of the Philippines is in the gallery today. I met with him to talk about how Canada could sell our water technology and our solid waste technology internationally. We intend to turn that trade deficit into a green surplus for Canadian jobs.

[Translation]

BLOOD SUPPLY SYSTEM

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health.

On September 12, the Minister of Health announced at a press conference that she would set up an advisory committee of experts whose role would be, among other things, to determine whether some of the information on the blood supply system should be disclosed or not. She said that given the current level of interest in this matter, she had to decide whether not releasing some of the information was still in the public interest.

How can the minister claim to act openly when she asked a committee of experts to tell her what she should hide from the public on the deficiencies of the blood supply system?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, what I announced is that I would ask an advisory committee of

experts to review the ethical and legal issues related to opening up the whole process. As was seen from the confusion that spread throughout the country when the FDA report was made public, it is certain that one must always be very careful in these areas.

Mrs. Pauline Picard (Drummond): Mr. Speaker, does the minister realize that by putting in place a policy to hide information the public has a right to know, she has made Canadians distrustful of a blood supply system already hurt by the tainted—blood tragedy?

[English]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I would hope that all members of this august Chamber would behave very responsibly when it comes to the health of Canadians. I certainly intend to do so. Yes, I am very interested in being open and transparent but we must always balance questions of ethics with legal considerations.

IMMIGRATION

* * *

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, the debates which took place in this House last week on the issues of immigration and crime were the same as ones which took place this summer in my riding.

A magazine article dubbed "Nanaimo—Heroin city" identified the Vietnamese community as a major player in the drug trade. As a result the Vietnamese community asked me to set up a meeting with the RCMP and all levels of government to discuss the issue, which we did.

Is the minister of immigration prepared to accept an invitation to meet with the Vietnamese Canadian community in my riding of Nanaimo—Cowichan to hear firsthand their proposals for changes to our immigration laws?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, in the last eight months we have been meeting with Canadians not only in the gentleman's riding but also right across the country.

I applaud the member for having held a public forum in his riding. I hope at some point he will provide me and my officials with the results of that forum.

* * *

(1450)

ROYAL CANADIAN MOUNTED POLICE

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, I will provide the minister with that and I renew the invitation.

My supplementary question is for the Solicitor General. Nanaimo has been promised extra drug enforcement officers to help address this problem, yet to date his ministry has failed to fulfil that promise.

Why has the minister not undertaken a redeployment of resources to Nanaimo when the commanding officer of the RCMP in British Columbia has clearly stated there is a great need?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, matters of deployment of RCMP officers around the country are handled by the commissioner and not directly by the Solicitor General. However I will be happy to inquire of the commissioner and get back to the hon. member about this matter.

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CANADIAN NATIONAL RAILWAYS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, my question is for the Minister of Transport. It concerns the proposal made last week by Canadian Pacific to purchase that part of Canadian National Railways which exists east of Winnipeg.

Could the minister tell this House today what the position of the government is with respect to this proposal? Is the minister prepared today to reject not just the proposal but the idea out of hand? If he is not, can he tell the House what process he has in mind for consulting the shareholders, who are basically the Canadian people, as to what the position of the government should be with respect to this proposal?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, in answer to the hon. member obviously this proposal submitted by CP is an unsolicited bid, as the hon. member would know. As I have indicated, we do not propose to respond to that bid in any hasty way. We are going to have it analysed very carefully.

The whole question the hon. member raises with respect to the CP bid is one of government policy. Obviously we will want to have a lot of input because it would be a major decision if we were to change the fundamental rail policy in this country as this bid would have that effect.

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I wonder if the Minister of Transport could guarantee today that in whatever process the government undertakes to consider this proposal, the employees who might be affected, the communities that might be affected, and the regions that might be affected, that all these stakeholders will be consulted appropriately and their views will be taken into account.

Hon. Douglas Young (Minister of Transport): Mr. Speaker, as the hon. member would know, a number of steps would have to be taken. However, I do not want to give any indication as to how the government is going to respond to an unsolicited bid.

If we were to entertain this kind of change in the rail system in Canada it would be one that would involve the levels of government, employees and communities that would be affected. It would be a major policy decision. Nothing of that nature would be undertaken hastily.

I do want to reassure the hon. member that the Government of Canada is undertaking and has been working actively at reviewing a national rail policy. Obviously with the merger talks that went on between CN and CP there was a need to address that entire question and we are going to continue to actively pursue that.

* * *

[Translation]

TROIS-RIVIÈRES AIRPORT

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, my question is for the Prime Minister. In December 1992, the Minister of Transport gave his written agreement in principle to pay a grant to the city of Trois-Rivières for renovating and expanding its airport. On April 24, 1993, his colleague, the Minister of Consumer and Corporate Affairs, announced his government's commitment to pay \$3 million to the city of Trois-Rivières for this purpose. Despite these government commitments—

The Speaker: Order! Will the hon. member please put his question?

Mr. Rocheleau: Now, despite these commitments and 17 months later, the federal government is still dragging its feet.

Can the Prime Minister explain why, 17 months later, his government still refuses to honour the previous government's commitment?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, of course, for nine years, a member of Parliament represented that riding. The commitments to which my hon. colleague refers were an agreement in principle, as he said in his question. Even in Trois–Rivières, it takes money to meet such commitments.

(1455)

Mr. Yves Rocheleau (Trois–Rivières): Are we to understand from the government's attitude that it intends to go back once again on commitments made by the previous government?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, as the hon. member knows very well, I met with him on this subject and explained to him that no air service is planned for Trois–Rivières—that fact remains. Coming up with a solution is particularly difficult, especially for the runway. I promised the hon. member that I would look into the matter. I asked him to contact the man who represented that riding in Parliament for

Oral Questions

nine years. I will do what I can so that the people of Trois—Rivières have an effective service that fits in with the new airport management system in this country.

[English]

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GUN CONTROL

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, the Minister of Justice knows that the merit of gun control legislation cannot be determined by the claims over reduced homicides made by one side and the arguments about money and time costs by the other side. Rational social policy is made by scientific estimates of the expected benefits in relation to costs.

Can the minister assure us that he will have for debate in this House and consideration by all Canadians scientific estimates of the benefits and costs for each gun control measure proposed by the government?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the process I am following in putting together proposals for this House involves looking at the record, the statistics of crime in Canada, the effectiveness of laws already in place, and consulting broadly with Canadians interested on a wide variety of these subjects.

I fully expect the proposals we bring forward will be well grounded in fact and in experience.

* * *

FISHERIES

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, my question is for the Minister of Fisheries and Oceans.

Atlantic fishing communities that depend on the turbot fishery, such as Canso in my riding, were encouraged to learn that at the meeting of the Northwest Atlantic Fisheries Organization in Dartmouth. The European members agreed to important conservation measures to protect the turbot resource outside Canada's 200 mile zone.

Can the minister inform this House how these important commitments will be enforced?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, the member has had a strong interest in the whole question of turbot for a great deal of time. The plant in Canso is the major beneficiary of the turbot fishery conducted in area O which my friend from the Bloc Quebecois was so concerned about a moment ago.

I want to assure my colleague and through him the people of Canso whose cause he has raised so eloquently and so frequently with me and other ministers, that because of the regulation of the turbot catch and the reduction in the catch from 62,000 tonnes to 27,000 tonnes, Canada will have for the first time the right to

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board and to inspect the vessels catching turbot and to ensure that the proper rules are being followed to conserve this important stock.

* * *

[Translation]

TELECOMMUNICATIONS

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, my question is for the Minister of Canadian Heritage. The CRTC approved a Bell Canada request to increase the fee for its basic telephone service, as of January 1, 1995.

Will the minister tell us if he intends to ask the CRTC to review this approval, considering that this new increase will directly affect the family budget of low-income Quebecers and Canadians?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, the Minister of Canadian Heritage is responsible for communications, not telecommunications. The issue raised by the hon. member comes under the legislation on telecommunications.

* * *

[English]

TAXATION

Mr. Stephen Harper (Calgary West): Mr. Speaker, earlier in question period in refusing to rule out new taxes on RRSPs and private pension plans, the Minister of Finance referred to the necessity to consult Canadians on this issue.

Will the minister tell the House precisely which Canadians have been demanding new taxes on their RRSPs and private pension plans? Is it not true in fact that only this government and this minister want to see these new taxes?

(1500)

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development –Quebec): Mr. Speaker, in the consultation process that is about to ensue we are going to set out all areas of government spending. We are going to set out all areas of government tax expenditures.

It is through that process that we will indeed obtain the views of Canadians.

* * *

PRESENCE IN GALLERY

The Speaker: I would like to draw to members' attention the presence in the gallery of Mr. Bertie Ahern, Finance Minister of Ireland.

I also draw to members' attention the presence in the gallery of Mr. Angelalcala, Minister of the Environment for the Philippines.

Some hon. members: Hear, hear.

[English]

BOARD OF INTERNAL ECONOMY

ROUTINE PROCEEDINGS

The Speaker: It is my duty to inform the House that under the provisions of the Parliament of Canada Act, chapter 42, first supplement of the Revised Statutes of Canada, 1985, the membership of the Board of Internal Economy is now as follows: Mr. Gray (Windsor West) and Mr. Gagliano, members of the Queen's Privy Council; Mr. Boudria and Mr. Hopkins, representatives of the government caucus; Mr. Duceppe and Mr. Gauthier (Roberval), representatives of the Bloc Quebecois caucus and Mr. Harper, representative of the Reform caucus.

* * *

ORDER IN COUNCIL APPOINTMENTS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, a number of order in council appointments made by the government.

Pursuant to the provisions of Standing Order 110(1), these are deemed referred to the appropriate standing committees, a list of which is attached.

* * *

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to table, in both official languages, and pursuant to Standing Order 36(8), the government's response to 16 petitions.

* * *

EXPORT DEVELOPMENT CORPORATION

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, I am pleased to table in the House today the report on a contract administered on behalf of the Government of Canada by the Export Development Corporation for the fiscal year 1992–93.

The report explains the objective and the purpose of financial services provided under the Canada account. It describes the administration of the account and the transaction approval process.

The tabling of this report is not required by statute nor by the standing orders. It is tabled based on a recommendation made by the Auditor General in his 1988–89 annual report.

* * *

PETITIONS

HUMAN RIGHTS

Mr. Jim Silye (Calgary Centre): Mr. Speaker, as parliamentarians I do not believe we have the authority to deny the rights of petitioners even if their personal beliefs contradict our own. MPs should present any and all petitions from their constituents.

Therefore I rise today to present a petition on behalf of Mrs. Kathleen Morck who, along with 31 other Calgary Centre constituents, does not support any government legislation that would give special favours or rights to homosexuals.

At the beginning of my term I took an oath to represent the wishes of all constituents to Ottawa and not the wishes of Ottawa to them.

I thank Mrs. Morck and encourage all concerned Calgarians to continue to petition this House on concerns that directly affect their lives so that legislation is drafted from the bottom up and not the top down.

(1505)

ABORTION

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I have three petitions today. The first one is from the people of my riding who pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

ASSISTED SUICIDE

Mr. Tom Wappel (Scarborough West): Mr. Speaker, my second petition is from people in my riding who pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

Mr. Tom Wappel (Scarborough West): Mr. Speaker, my third petition is from some good people in town of Frankford, Ontario, who have asked me to present this petition on their behalf and I am pleased to do so.

They pray and request that Parliament not amend the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same

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sex relationships or of homosexuality, including amending the Human Rights Act to include in the prohibitive grounds of discrimination the undefined phrase sexual orientation.

ABORTION

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present this petition bearing 181 signatures from my constituents of Calgary Northeast.

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

NATIONAL UNITY

Ms. Jean Augustine (Etobicoke—Lakeshore): Mr. Speaker, pursuant to Standing Order 36 I present a petition signed by some of the residents of Etobicoke—Lakeshore asking that Parliament inform the Leader of the Official Opposition that he is not supporting the majority view of the residents of Etobicoke—Lakeshore when he is travelling to permit and promote the separation of Quebec from Canada.

ABORTION

Mr. Len Taylor (The Battlefords—Meadow Lake): Mr. Speaker, it is my duty today to present a petition pursuant to Standing Order 36. The petition is signed by residents of my constituency, primarily from the communities of Paradise Hill and St. Walburg in northwest Saskatchewan

The petitioners note to Parliament that the majority of Canadians respect the sanctity of human life and state that human life at the preborn stage is not protected by Canadian society. Therefore the petitioners call upon Parliament to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

PRESCRIPTION DRUGS

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, today I have three petitions. The first deals with prescription drugs. The petitioners indicate that the cost of prescription drugs is excessive and they therefore call upon Parliament to ensure that lower priced generic drugs are made available.

PAROLE

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, these two petitions deal with section 745 of the Criminal Code which allows for applications for parole after 15 years for first degree murder.

The petitioners request that section be repealed. There are in excess of 300 signatures on these two petitions.

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ASSISTED SUICIDE

Mr. Myron Thompson (Wild Rose): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present this petition containing 2,541 signatures on behalf of the constituents of Wild Rose.

These petitioners pray that Parliament ensure that the present provisions of the Criminal of Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

HUMAN RIGHTS

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, pursuant to Standing Order 36 I present 25 signatures from people in the Ottawa area, six from my city of Nepean.

These petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships.

(1510)

ASSISTED SUICIDE

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, pursuant to Standing Order 36 I have the honour to present on behalf of constituents of Vegreville two petitions.

These petitions request Parliament to ensure present provisions to the Criminal Code prohibiting physician assisted suicide are enforced and not to make changes to the law which would allow the aiding or abetting of active or passive euthanasia

Mr. John Maloney (Erie): Mr. Speaker, pursuant to Standing Order 36 I have two petitions representing the views of over 600 Erie constituents which I wish to present to the House.

The first petition calls on the government to enforce the existing provisions of Criminal Code prohibiting assisted suicide. It asks that no change be made which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

ABORTION

Mr. John Maloney (Erie): Mr. Speaker, the second petition is on the issue of abortion. The petitioners request the government to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

Mr. Jim Abbott (Kootenay East): Mr. Speaker, pursuant to Standing Order 36 I have the privilege of presenting three petitions.

The first petition has five pages. The majority of Canadians respect the sanctity of human life and whereas human life at the preborn stage is not protected in Canadian society, therefore your petitioners pray that Parliament act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

HUMAN RIGHTS

Mr. Jim Abbott (Kootenay East): Mr. Speaker, the second petition reads whereas societal approval including extension of societal privileges would be given to same sex relationships if any amendment to the Canadian Human Rights Act were to include the undefined phrase sexual orientation as a grounds of discrimination, therefore your petitioners pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act, or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality, including amending the human rights code to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

ASSISTED SUICIDE

Mr. Jim Abbott (Kootenay East): Mr. Speaker, the third petition reads the majority of Canadians respect the sanctity of human life and whereas the majority of Canadians believe that physicians in Canada should be working to save lives, not end them, therefore your petitioners pray that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously, and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

I would like my constituents to know that I support all three of these petitions.

VIOLENCE

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my colleagues will know that violence and abuse on radio and television have become major concerns of the Canadian population.

These petitioners want government to ensure that the CRTC regulate the amount of violence and abuse on radio and television. They point out that very often what occurs in terms of violence and abuse counteracts the efforts they make in raising their families.

HUMAN RIGHTS

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, I have two petitions with a total of 156 signatures, both dealing with the same subject, which I would like to table pursuant to Standing Order 36.

These petitions come from the town of Maple Creek in my riding and from the towns of Burstall and Leader in my riding.

The petitions are very similar: whereas a majority of Canadians believe that privileges which society accords to heterosexual couples should not be extended to same sex relationships, and whereas societal approval including the extension of—

The Deputy Speaker: Order. Perhaps the member would be kind enough to summarize the petition, as we cannot have everybody reading petitions; it would take forever.

Mr. Morrison: Mr. Speaker, the petitioners are praying and requesting that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships.

I would like my constituents to know that I do endorse these petitions.

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, I wish to present a petition to Parliament duly certified by the clerk of petitions and signed by 87 residents of my constituency of Okanagan—Shuswap.

This petition raises the concerns shared by many Canadians of all religious faiths, namely that the government has been rumoured to be considering amendments to various pieces of human rights legislation regarding the undefined phrase sexual orientation.

This petition asks Parliament to take no such action.

* * *

(1515)

[Translation]

OUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 38, in the name of the hon. member for Mercier, could be made an order for return, that return would be tabled immediately.

I must say that the hon. member showed a great deal of patience, but when she sees the answer which I will table today, she will understand why it took so long.

The Deputy Speaker: Is it the pleasure of the House that question No. 38 be deemed to have been made an order for return?

Some hon. members: Agreed.

[Text]

Question No. 38-Mrs. Lalonde:

Government Orders

What organizations and businesses received a grant under the national literacy program or any other literacy program, (a) how large were those grants and (b) where are these organizations and businesses located?

Return tabled.

[Translation]

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

The Deputy Speaker: Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

DEPARTMENT OF INDUSTRY ACT

The House resumed consideration of the motion that Bill C-46, an act to establish the Department of Industry and to amend and repeal certain other acts, be read the second time and referred to a committee; and of the amendment.

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, I am very pleased to stand in the House to speak to Bill C-46 respecting the Department of Industry Act.

In the past few years the world economy has been undergoing tremendous change. This has resulted in tumultuous conditions for the Canadian economy and for Canadian workers. For too long Canadians have watched the industries that have underpinned our economy eroding while nothing has been growing in their place.

Today 1.5 million Canadian workers are without jobs, 46 per cent of our citizens fear for the security of the jobs they hold, and for the first time in memory parents believe their children will have a lower standard of living than they themselves have enjoyed.

Over the last six years I have met with far too many of my constituents from Nepean concerned about their future. They call me desperately seeking advice on where to find jobs and what to do to retrain themselves for the evolving information based economy.

I have also received calls from entrepreneurs of small and medium sized businesses complaining about the lack of willingness on the part of banks to provide them with access to the capital they require to finance their enterprises. Let us not forget that small and medium sized businesses are the engines of growth in our economy.

One key to success in the changing world economy will be our emphasis on research and development. The track records of previous governments in this regard have been dismal and we must reverse that trend.

Nepean is the high tech capital of Canada. Research and development are particularly important to my Nepean riding which represents more than 100 high tech industries. Nepean is the home of Canada's largest research and development organization called Bell Northern Research. Others such as Northern Telecom, Computing Devices Canada and Gandalf are only four of a hundred companies working in the technological field and employing over 6,000 people.

Co-operation and assistance from the federal government have been integral parts of their success. The continuation of their growth and the birth of innovative enterprises in the high tech field will hinge on the continuation and improvement of the assistance offered by the government.

Canadians are looking to our government, not as a place to fall back on when they hit hard times but for leadership and direction, leadership predicated on development policies to lead Canadian workers, small and medium sized business and the high tech sector through these tough and changing times.

This means getting our house in order and getting expenditures and deficits under control. It means seeking consensus from Canadians on our economic and social goals and aspirations. More important, it means the ability to encourage partnerships in a spirit of co-operation among industrialists, entrepreneurs, educators, scientists and all levels of government to meet those goals and aspirations.

Bill C-46 is one of several steps taken by the government to chart a clear vision toward a renewed economy capable of providing wealth and prosperity for all Canadians into the 21st century. It recognizes that to achieve the goal of economic renewal the appropriate resources and energies of government must be marshalled in a coherent, efficient and effective way.

(1520)

The bill places in one organization under one minister the key functions necessary for economic renewal. The Department of Consumer and Corporate Affairs, the Department of Communications, Investment Canada and the Department of Industry, Science and Technology now become the Ministry of Industry.

This will establish one minister, one deputy minister and one departmental team, all dedicated to the achievement of an innovative economy in Canada. At the same time it will provide a single forum, a single listening post and a single gathering place to collect all expressed interests and ideas from all parties concerned with creating a strong, vibrant economy.

There is much greater opportunity under the organization provided by the bill to take the interests of various groups into account during the policy development stage. For example, by placing the responsibility for consumer and corporate affairs in the Department of Industry we have guaranteed that consumer voices will have a place around the table when policies are

established affecting the Canadian marketplace. This way consumer protection efforts can be focused on preventing problems rather than correcting them after the fact.

As with consumer interests so it is with science and technology, with regional development and with small and medium sized business. All necessary voices will be heard as policies are being developed, as agreements are being negotiated and as decisions are being taken.

This organization not only brings effectiveness and cohesion to government operations. It also seeks to bring about cost efficiency to government departments. In this era where every attempt must be made to reduce costs and maximize the efficiency of our resource utilization we cannot afford the waste that accompanies duplication and overlap in government functions.

Bill C-46 reduces the numbers of teams from four to one. Overhead and support costs are reduced by eliminating the duplication involved in running four separate organizations. Internal communications are simplified. Direction and supervision are made more effective. Finally fewer committees are necessary.

These kinds of streamlining and cost savings are what Canadians have been asking for. Under Bill C-46 small and medium sized business remain at the focal point of policy development. For example, with the Canadian Chamber of Commerce the government is exploring the feasibility of developing a business network strategy to set up some 30 business networks to foster co-operation and collaboration among small and medium sized firms with common interests.

This is good news for aspiring entrepreneurs in Canada and in my riding of Nepean. Underpinning our economic renewal efforts the government has recognized the importance of science and technology. This is good news for the city of Nepean and the high tech industry in Nepean.

A major science and technology review is under way. This will ensure the \$6 billion we spend in this area every year is producing maximum value in our efforts to institute an innovative economy.

The government is listening to Canadians. It is prepared to take tough decisions to reduce or cut funding in programs that are not essential to economic renewal. We are interested in setting our house in order and reducing the burden of debt on Canadian taxpayers.

The government will not try to force economic growth by fertilizing it with massive sums of money we do not have. Instead Canadians can expect leadership and co-operation among the federal government and all interested groups necessary for the achievement of our reachable objective: the development of sustained growth and prosperity for all Canadians.

Bill C-46 is merely one of many steps being proposed and followed by the government in achieving its number one goal of job creation. I commend the Minister of Industry for taking these steps. I support his steps. I wish him well and offer him my assistance in this and all future economic endeavours for this wonderful country of Canada.

(1525)

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I thank the hon. member for Nepean for her reasoned discourse this afternoon.

I have a question concerning the program reviews currently under way. Why would we have the reorganization and the consolidation and then have a program review? Would it not make more sense to do the program review first and then consolidate on the basis of the review?

Mrs. Gaffney: Mr. Speaker, I thank the hon. member for his question.

That is probably a method that could be used, but I believe it was the government's and the Prime Minister's plan that when he formed the new Government of Canada it would be much easier for him to carry on with the reduction. It had already been put under way by the previous government and a lot of it was already in place. It was much easier for him to carry on with that reduction to the degree he has.

Is it much easier for a government to continue on a plan of reduction if it starts out the term of its mandate not up here with 40–some cabinet ministers but down here with 22 cabinet ministers and 22 government departments? Then if the need is there to build upon it, is it not a bit easier to build upon it if the need is there rather than start at the top and then have to start chopping back? The chopping back had already started before we ever took office as the Government of Canada.

I believe it was the appropriate way to do it and I guess only time will tell.

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, I am pleased to join in the debate on the reorganization of the department of industry, Bill C-46.

I would like to take a moment to reflect on the nature of my riding of London—Middlesex and illustrate just how important the activities of the department are to my constituents.

This area of small and medium sized business is a part of Ontario which is a leader in southwestern Ontario in that economic activity. Whether it is a business that is a spinoff of the automotive industry or whether it is the agri-food industry, London—Middlesex is one of the busiest areas of southwestern Ontario. It is a satellite of the agri-food industry in Middlesex county, one of the most productive agricultural counties in our part of Canada.

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There is a very wide variety of small and medium size business activities in the riding of London—Middlesex so the constituents are very interested in the proposed reorganization.

As well I am pleased to represent a number of major corporations of national and international repute: General Motors Diesel of Canada, 3M Corporation and Cuddy Foods, to mention only three. In mentioning these three corporations one can easily recognize the scope of activities which take place in the riding of London—Middlesex. I say again it is with great interest my constituents hear of the proposed changes and await the reorganization of the department of industry.

It is all too obvious that we have had an erosion of the Canadian economy. We know that on all sides of the House. We hear it daily. As well we should, because Canadians have a right to expect these important issues will be aired.

The so-called corporate downsizing that has been taking place as part of global reorganization has caused a job crisis of major proportions in the country. Frankly my constituents feel the previous government was the government of the big corporations. It put all its eggs in that basket and now Canadians have paid the price in the last few years for that foolish approach to government.

All too often small and medium sized businesses were ignored. This is simply the wrong way to go if we are going to pull out of this economic crisis.

People well know the unemployment numbers and all too often we can disregard them as statistics. Day after day in my riding office like hon. members in all parts of the House I have seen the human face of unemployment, men and women young and old alike, highly educated and well trained, and those untrained and unskilled. Day after day the human face of unemployment has come into my riding office crying for some kind of help from the government. As a member of Parliament you wish you had a magic phone that you could pick up and instantly produce a job.

(1530)

This contact has served to reinforce the real need to concentrate on small and medium sized business. That is how we will get Canadians working again, not by following the agenda of the previous Tory government which all too often ignored these sectors of the economy and simply focused on corporate Canada.

Canadians well know that we have been living beyond our means and that certainly includes government. Government has been part of the problem and it is high time we became part of the solution.

No party in the House has a monopoly on knowing that the debt and deficit are major preoccupations of the citizens of Canada. If anyone listens even a little bit to the concerns of Canadians he or she knows it is right at the top of the list of

concerns. Indeed it dominated, as well it should, much of the debate in the last federal election a year ago.

One problem that needs to be addressed is the fact that so much of our debt is in the hands of foreigners. I was amazed in the campaign to not have this recognized by some of the opposition candidates. They simply felt debt was debt and that was all there was to it. Would that it were that simple, but it simply is not. It is a grave concern that so much of our indebtedness as a nation is to foreign nationals.

The Liberal commitment in the red book and during the election campaign, endorsed from coast to coast to coast by Canadians, was a sensible, gradual approach to the reduction of the deficit to no more than 3 per cent of GDP by the end of our first term and then total elimination is the ultimate goal of the government.

I heard a member opposite—I do not recall exactly who now—propose that somehow the government was going to lock in 3 per cent as its overall target and that simply is incorrect. My colleagues and I have heard time and again the hon. Minister of Finance speak to the fact that this is the interim goal of the Liberal government and that the ultimate goal would be to completely pull out of an indebtedness situation.

How will we achieve such a goal? Obviously the first step is to reduce government spending. The right hon. Prime Minister has shown outstanding leadership in that regard in the few short months he has been the Prime Minister. He started with the size of the cabinet and scaled it away back from what was the situation previously. He also scaled back the size of ministerial offices.

Perhaps huge amounts of money have not been saved but they are not insignificant millions either. However they set a tone that the government is prepared to lead by example in reducing spending.

Concomitant with that is the need to encourage new jobs. If we are really going to pull out of the economic problems we face as a country we must get Canadians back to work. We must get them off the tax rolls and change them into taxpayers because they now have a meaningful and well-paying job.

This two-pronged approach of the Liberal government was endorsed nationally in the last federal election campaign. I am proud to be a member who is helping to advance that agenda.

It was no mean consideration recently when London, Ontario was awarded the Institute of Advanced Manufacturing Technology. This will be a very important organization to London and to southwestern Ontario. It will help co-ordinate the activities of the private sector, of the University of Western Ontario in London, of the city council and indeed of the surrounding areas of southwestern Ontario with the federal government. This is the

kind of partnership that is necessary if we are to move forward into the new economy and start to get Canadians working again.

The question needs to be posed: What is the proper role of government in this new economy? One only needs to reflect to know that there are several shades of opinion on this question. From some parts of the House we hear the socialist point of view that the government should do everything. The government should run the economy, it should own it, and there is no place for the private sector because all it will do is hoard the profits. I reject that view. Liberals reject that view.

(1535)

Equally we have the view at the far right which says that governments should do nothing, that there is no place for government. It is the other extreme. I equally and even more forcefully reject that view. One might say that in this House today we have perhaps the most conservative of the conservatives with the view that there really is no role to be played by government.

I hope that no one party embraces that philosophy but I hear that view from certain members opposite so often I have become concerned. Surely they cannot feel there is no role for government in running the economy of this nation. To the contrary the Liberal view is that there must be a balanced approach.

There must be and there is a role for government to play in partnership with the private sector. The private sector is the engine, as it must be, but there will be a positive role for government to play in creating the proper environment for the private sector to succeed. Only a balanced common sense approach best enunciated by the Liberal Party throughout the history of this country will ensure fair and equitable treatment in our economy.

I see that my time is coming to an end. I would simply say that as a member of the Liberal Party it will be my pleasure to do everything possible to help advance a balanced approach to this economic situation.

Mr. Jim Abbott (Kootenay East): Mr. Speaker, when I spoke last week on the criminal justice Bill C-41, I suggested that perhaps some of the Liberal members of the frontbench required some Q-tips because they were having a little difficulty hearing. I can see that the problem extends past the front bench.

I would like to know when the member ever heard somebody from my party suggest that the government should do nothing? That is a very gross misunderstanding of what seemed to be a very clear way of expressing ourselves.

Because social spending in Canada currently consumes \$53 billion a year which is over 50 per cent of our current expenditures, would he agree that the direction the Reform Party wants to go, which is to focus social spending on those who are most in need to make sure that those in our society who are the most

dependent on that kind of support, are in fact expounding the correct way to go which is to focus social spending?

Mr. O'Brien: Mr. Speaker, it is a pleasure to receive a question from the hon. member. I would say in response to his first comment that I am reminded of the statement that if the shoe fits, wear it. I challenge my friend to find in *Hansard* or even in the "blues" which will be out shortly that I named the Reform Party as saying that governments should do nothing.

What I said was that some hon. members opposite—there are at least four political philosophies opposite—quite often espouse the idea that government must get out of the way, that it has no role to play. However, if my friend finds that my comments were appropriate to the philosophy of the Reform Party, I will not disagree with him.

On his question of the focus of spending and social services, I agree that we need to focus spending on social services. Where I differ with my friend and his party, as I understand their philosophy, is we will never eliminate the universality of our programs. The minute you start to say that targeting means we will eliminate universality we will start to fool with the other underpinnings of our social security system and the whole thing is in risk of collapsing. We have to focus it and keep it fair and available to all Canadians who need it without going to the far extreme.

(1540)

[Translation]

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I did not hear the hon. member responsible for regional development in Ontario and Quebec. I would have liked to hear him, because this is a section where, in my opinion, we could have avoided some overlapping.

Regarding subclause 8(a) in Part II, I would like to ask the hon. member why the government did not give exclusive authority, either in Quebec or in Ontario, over regional economic development to already existing structures such as the FORD?

[English]

Mr. O'Brien: Mr. Speaker, I was not elected to come to this House to speak exclusively for the views of Ontario, let alone the views of the province of Quebec. That may be the agenda of my friend and his colleagues in the Bloc Quebecois but it is not the agenda of the only truly national party in the House of Commons.

While I understand my colleague's concerns for the people of Quebec and while I understand his preoccupation with manpower training, I can only assure him that the government is equally concerned in making sure that all Quebecers understand. We did

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not get to be the best country in the world by not addressing all the concerns of Canadians. We will continue to do that, including all the people of Quebec.

The Deputy Speaker: Time is up. Resuming debate. It is one of the hon. member's own members who is going to speak on debate. I am sure he does not want to deprive him of that opportunity.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, it is a pleasure to speak on this bill to create the Department of Industry.

I would like to open with a brief outline of Reform's position on economic reform, industrial development and diversification, and how this bill measures up to our vision of the role to be played by the government as well as to comment on the potential for reducing government size and increasing efficiency.

Dealing first with the objective of reduced cost in improved efficiency, if these were objectives, I do not see any significant measures to support any meaningful move in this direction.

When one looks at the figures quoted to us at the briefing for this bill, from a budget of some \$3 billion and a staff of some 6,000, the government is only able to save some 230 jobs and \$26 million. When one looks at these figures against the potential, it shows very clearly that efficiency and cost reduction were not achieved.

With the bringing together of four departments with some overlap in duties and responsibilities, the potential was there to reduce the payroll by a greater number and certainly save considerably more tax dollars.

When one compares this to what is going on in the private sector in the name of survival, nothing has been done. The message that the private sector heard three years ago about lowering costs and improving efficiency still apparently has not reached the federal government. I do not think that message will be lost on industry when this bill goes forward.

Let us look at the Reform vision of economic reform using some bold brush strokes. We believe an environment to encourage enterprise and initiative should be created by government. There should be productive jobs and prosperity. It is best achieved by a responsible, broadly based, free enterprise economy in which private property, freedom of contract and the operating of free markets are encouraged and respected.

We want to minimize politics in economic decision making by the phasing out of grants, subsidies and lending programs. Let us break down the barriers designed to insulate our businesses and industry from domestic and foreign competition. Competition is healthy and should be encouraged. Of course, we should

come down hard on enforcement of competition and anti-combines legislation with severe penalties for price fixing, certainly the removal of interprovincial trade barriers so that we can maximize the benefits of free trade and NAFTA.

(1545)

In examining this bill I decided to look at the Liberal red book and determine whether or not the act meets red book promises. One of the first statements made in the red book section on the economy is that the former Conservative government "failed to understand that government has an important role to play in setting the stage and enabling the private sector to adjust to changing circumstances. For this reason our competitive position and our standard of living have declined and jobs are lost".

Of course if this statement is true, then this Liberal government is doomed to fail as well because this act which sets the stage for the Liberal attempt at industrial central planning enshrines in law exactly the same department the Conservatives introduced under Kim Campbell. There is no excuse at this time for the government not to have come up with an act creating a smaller, leaner and more efficient department which would have set the economy on a new course. This government is almost a quarter of the way through its mandate, yet it is still relying on the failed Conservative policies of the past.

What else did the Liberals say in their red book? They said: "Any strategy to foster the growth of a small and medium sized business sector will fail if it does not recognize the negative impacts of excessive government debt, interprovincial trade barriers, and taxation". I agree 100 per cent, but I fail to see how this act to enshrine the industry department created by the former Conservative regime will help to achieve that goal.

It is clear the rationalization of the four agencies and departments into one should have achieved some efficiencies but it appears this did not happen. Staff levels fell less than 4 per cent and spending was cut less than 3 per cent.

As I said, I agree with the red book assertion that debt, trade barriers, and taxation are big negatives in our economy. The minister achieved some gains in his recent attempts to reduce interprovincial trade barriers but I would remind him that much work needs to be done to remove more barriers that are still remaining.

In a widely quoted study done by the Canadian Manufacturers' Association, those interprovincial provincial trade barriers are costing us approximately \$6.5 billion. The Macdonald commission of the mid-1980s estimated that Canadian incomes would rise some 1.5 per cent permanently if barriers were removed.

In my own riding of Simcoe Centre there is a brewery which can freely export to 50 American states yet cannot send its products to the provinces next door.

There is another major consideration that this government has failed to deal with. We have unprecedented deficit and debt levels yet this act, which reorganizes the department according to a Conservative plan, fails to achieve any meaningful saving of tax dollars.

Certainly taxes are too high. They discourage new domestic and foreign investment and they drive Canadian businesses to more reasonable tax jurisdictions. I realize that tax relief for Canadian businesses is still a long way off because of a deficit based on excessive government spending but I believe that long term tax relief should be a stated goal of any federal government industrial strategy.

Where could these efficiencies have been obtained? Are there areas of spending and staffing which are of no consequence in our new global economy?

Investment Canada is an organization whose consequence I would question as its mandate seems to have been to protect Canadian businesses from foreign control. What that threat from foreign control was, nobody seems to know. Foreign investment is clearly not perceived as a threat any more because even Investment Canada seems to approve every investment made. I question whether we need to continue to rubber stamp this rubber stamping body any further.

We need to encourage competition in our banking industry. Too much power is held by too few banks.

The defence industry productivity program is another area of spending which we should question. In the government's bid to centrally plan the economy this is an obvious attempt to favour one industry over others. To be clearer on this point it must be recognized that the funding for DIPP came from taxes imposed on other businesses and industries. I question whether the \$158 million given away in 1994 under this program would have been better left in the pockets of the taxpayers who are currently financing this scheme.

I question the consequence of spending tax dollars to improve the image of high technology firms. Surely we are misguided if we believe that image is what sells Canadian high technology to Asia-Pacific countries. I believe the quality of our products is our greatest selling point. This is based on such fundamentals as research and development.

(1550)

I also question why in 1994 the Department of Industry is still treating one group of Canadians as though it were different from all other Canadians. Why does this government continue to single out one group of Canadians for special treatment? This patronizing action should be reversed.

I question the consequences of the complicated university research granting process. Why do we need so many different granting councils with their different regulations and the attendant bureaucracy behind each one? Surely this is an area where rationalization can occur and efficiencies indeed can result. This is an obvious area for the government to find savings of tax dollars.

We should examine the whole grants and contributions program. What real benefit does the Canadian economy derive from the \$63,000 given to the Shoe Manufacturers Association? In favouring de Havilland by \$10 million over McDonnell Douglas are we creating inequities in the aerospace industry? Is it not now time to embark on a new direction where we will treat all peoples, regions and industries equally?

Our starting point in making changes should be to place our top priority on reducing government spending while increasing government efficiency. When industries are asked what government can do to help them the response I have heard most often is: "Get off our backs and out of our pockets".

Bill C-46 is a small step, too small, on the road to reducing government spending so that taxes can be lowered, which will improve the ability of our industries to compete and grow in this global economy.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): I listened carefully to the member for Simcoe Centre. I appreciate the member has recognized this bill as a step in the right direction. He has also recognized the work which had to be done to date on interprovincial trade barriers as being a step in the right direction. What puzzles me about the hon. member's remarks is his failure to recognize the very special emphasis the government has given to small business and the tourism sector.

The member comes from one of the most beautiful communities in all of Canada. I know that riding depends heavily on a tourism thrust and attention to that sector. Is the member suggesting that area as one where we would further diminish our participation, or would he suggest that we reinvigorate that sector? I am trying to understand what the member is saying in the sense that we have gone in the right direction but not far enough. I happen to believe that we should reinvigorate an area like tourism because that is a way we can get people back to work right away.

Mr. Harper (Simcoe Centre): Mr. Speaker, I thank the member for Broadview—Greenwood for his question. I applaud some of the steps taken by the government because they were steps in the right direction, but I make the point that they are small steps and the time is long past for small steps.

This country is in serious difficulty today and it calls for big steps. It calls for action against the deficit and the debt. You cannot jump a huge crevasse in small steps; it takes one giant leap. That is what is lacking in what is coming forward from the other side.

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Small business is not looking for government intervention. The best thing government can do for small business is to get out of their way. Get off their backs as they said and out of their pockets and the pockets of their customers. Then there will be more disposable income which will generate the business which will create the jobs, but that is not happening.

Small businessmen are being taxed to death. They are asking what is being done to get this tax load under control. The only way to do that is to get government spending under control. I was looking for some spending cuts in this bill but they are not there.

Mr. Mills (Broadview—Greenwood): Tourism?

Mr. Harper (Simcoe Centre): Tourism is very important in my area. Anything that can be done in tourism is certainly going to be appreciated in Simcoe Centre. However the importance of doing something about reducing government spending and getting it under control is paramount to tourism, small business, large business. It is not being addressed in this bill, nor is it being addressed in many of the things the government is doing at this point.

(1555)

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I believe I understood the hon. member correctly when he indicated if he had undertaken this legislation it would have ended up much smaller, much leaner and much less costly than it is. He gave as examples Investment Canada and the defence industry productivity program which he thought should have been looked at.

Is the member saying that Investment Canada and the defence industry productivity program would have been cut out along with the other examples he gave, or would he simply look at them? That is my first question.

Second, because he did state initially that it would have been much neater, much smaller, much less costly, could he give specifics? How much leaner? How much smaller? How much less costly? Could we have specifics please?

Mr. Harper (Simcoe Centre): Mr. Speaker, obviously government members do not have the answers and are coming to Her Majesty's Loyal Opposition for them.

If I were running a corporation of 6,000 employees with a budget of \$3 billion and my back was to the wall and I had to effect some cost savings—and I suggest our backs are to the wall right now—230 employees out of 6,000 is a drop in the bucket. That is not really an attack, if it was intended to be an attack, at getting the spending and efficiencies under control. I would cut jobs. We would have to cut back.

An hon. member: What sector, small business, tourism?

Mr. Harper (Simcoe Centre): No. It is called efficiency of operation. If that was the purpose of the exercise then it was not achieved. It is a long way from being achieved. The dollars and the jobs that are being saved will have no real impact on doing something about the deficit and the debt that everyone says they are concerned about but they do nothing about.

Mr. Geoff Regan (Halifax West): Mr. Speaker, I am very pleased to speak on Bill C-46, the Department of Industry Act.

Bill C-46 creates a remarkable organization with wide ranging responsibilities and a far reaching mandate. There are many tasks in the government's agenda for growth and job creation that it will perform. Not the least of these is the slate of initiatives the Prime Minister announced to the Canadian Chamber of Commerce in Quebec City on September 18, namely: to improve the climate for entrepreneurship; to help business profit from new technologies; to seek expanding markets; and to promote the tourism industry that is so important in Halifax West and throughout the maritimes.

The successful pursuit of that agenda requires a concerted effort of all major players in the economic development game. The Department of Industry created by this bill is well designed to rally that kind of effort. Incorporating within one organization the very functions of industry, technology, science, communications, foreign investment, and consumer and corporate affairs permits a powerful focus of related interests in the formulation and implementation of our economic development strategies. Some may fear that this new department will not do as much in individual areas like communications, corporate affairs or consumer affairs as under the old setup. An impression of that sort is just that first and last, a mere impression.

While titles are important symbolically, they must not be mistaken for substance. Bill C-46 could not possibly include the names of all the functions in its title. In substance we do have a department of industry, science, technology, communications, investment, and consumer and corporate affairs. To include all of its concerns we would have to add small and medium sized enterprises, tourism, sustainable development and many other areas. These are all key functions in the pursuit of an innovative economy and in the pursuit of growth and job creation.

(1600)

However the essence of the this new department is not found in the title. We have a Department of Industry. What does that name symbolize? Industry is not merely heavy industry nor manufacturing. Industry is whatever provides wealth and wellbeing in our society. Teachers, accountants and fishers are as much an essential part of industry in this country as employers, for example Litton, Pratt and Whitney, Farmers Co-operative Dairy and Dynatek in my riding.

[Translation]

We have to consider the interests of consumers as well. We want to give Canadian consumers the assurance that although the word "consumer" does not appear in the department's new title, their interests are still central to the concerns of the Department of Industry.

[English]

Many of us will recall when the federal government in the seventies decided to create the Department of Consumer and Corporate Affairs. Many will recall there was much concern that putting the affairs of consumers under the same roof as corporations was a bit like putting the chickens in with the foxes. Those fears proved groundless, as we well know.

In retrospect it was wise to incorporate the concern for consumer interests into policies and decisions affecting corporations. It is now recognized by governments and corporations more and more that attention to consumer interests must underpin sound corporate strategies. Increased consumer awareness, increasing competition and the relentless demand for ever higher quality of goods and services are leading businesses in the direction of more attention to consumer needs and consumer service.

This bill on the Department of Industry is built on that principle of common interest. The bill extends the same logic to the consideration of all economic development strategies.

[Translation]

By making the Department of Industry responsible for consumer policy, the government guarantees that the voice of consumers will be heard and considered when policies affecting the Canadian market are discussed in cabinet.

[English]

The Minister of Industry has a clear mandate to act as the advocate for consumer issues at the cabinet table. To do that effectively he has to seek input of consumers and advocacy groups across the country on all issues affecting growth. The Consumers Association of Canada for example plays a strong leadership role in consumer education and in raising concerns about products.

With advancing technology, consumer issues are becoming ever more complex. Issues like the access and cost for consumers to the information highway, the protection of privacy, electronic funds transfer, and biotechnology and genetic engineering are all new complex issues that require close examination from the point of view of consumer interest. In the light of these complex issues an integrated process is needed to ensure that consumer concerns are incorporated as early as possible in policy development. In this way consumer protection efforts can focus on preventing problems before they happen instead of exposing them after the fact.

The government's priority is growth and job creation, but these goals must depend on efficiently functioning markets. Our consumers share with the business world a common interest in achieving that kind of efficiency. Both should welcome initiatives that help our businesses to be more efficient, effective and competitive.

The recently announced internal trade agreement which will improve the efficiency and effectiveness of trade in goods and services and the movement of people among provinces and territories will save businesses and governments millions of dollars. It is good for consumers.

All of us who take part in the economy have an interest in the actions of government directed toward consumer protection and promotion of competition. These actions not only right wrongs, they also enhance our overall economic performance.

We should all be glad the twin pillars of consumer and corporate affairs are under the same roof at Industry Canada. This bill in my view is well designed to help guide the efforts of Team Canada. I recommend its speedy approval.

(1605)

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I again commend the member for Halifax West for his comments.

I recognize the hon. member for Halifax West did not make these comments, but being from the same party as the member who did earlier that member had difficulty finding the appropriate role of government in business. He did not like too little and of course did not like too much. What would the hon. member say is the appropriate role for government in the business affairs of the nation?

Mr. Regan: Mr. Speaker, it is a real challenge, as the hon. member knows, to define exactly in a few words or a few moments what the role of government is in our economy because it is a complex question. Certainly my view would probably be for a little bit more involvement than his view. My view would be that government has a very important role in terms of consumer protection. I do not know if he would put the same emphasis or as much effort in that regard as I would, but that is for him to answer I suppose. However, it seems to me that is an important consideration.

In Atlantic Canada there is a need for government involvement. There is a need for investment capital. There is a great problem in Atlantic Canada with the lack of that kind of capital. Many business people come to me with the problem of getting capital to expand their businesses. Those businesses are doing well but they cannot quite get to the next level and cannot find the capital in Atlantic Canada to expand.

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That is why agencies like ACOA which provides about 40 per cent of the business financing in Atlantic Canada are so important. In fact overall it has been very successful. We do hear about the failures which are sensationalized by the media, but the large majority of its programs and efforts in creating jobs and assisting businesses to expand and create more jobs have been very successful.

I gather sometimes there is the impression in the rest of Canada that all we do in Atlantic Canada is fish or collect unemployment and that is a great myth. It certainly is untrue in my riding where there are many businesses and people are hard at work doing a variety of things. Things are being done for example in high technology at Dynatek which produces computer memory systems. Pratt and Whitney produces some of the best aircraft jet engines in the world. There are Litton Systems and Farmers Co-operative Dairy and many others. People are working hard.

I agree that government cannot be the one to create the jobs. It is absolutely true that we have to rely on the private sector to do the main job creation. I also agree we have to make efforts and we have to reduce our debts so we can get off their backs, but we cannot do it overnight.

At the same time there is still a role for government to assist those companies in areas like R and D and international information. We receive information from our embassies about what is happening overseas, what opportunities are available for our companies elsewhere. There are many roles government can play.

Mr. Ray Speaker (Lethbridge): Mr. Speaker, I want to ask the hon. member a question concerning the role of government. He mentioned Pratt and Whitney in his constituency. Pratt and Whitney is also in my constituency. It received a loan guarantee of \$50 million to come into the city of Lethbridge.

Would the member and the government support that kind of a government policy in terms of loan guarantees to encourage industries to locate in a variety of areas in Canada?

Mr. Regan: Mr. Speaker, I would like to tell the hon. member that I certainly prefer it to grants. I am concerned about that size of a guarantee. I think we should see companies locating where they think is best.

Companies are coming to Nova Scotia. People like the quality of life we provide. They do not like having to sit in traffic for four hours on the 401 into Toronto, or what have you. Companies are coming for reasons other than government assistance. In fact we are seeing that governments at all levels are finding it harder to provide that kind of incentive.

(1610)

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, I welcome the opportunity to speak on Bill C-46. I commend the member for Broadview—Greenwood for sitting here all day and listening to some of the great doomsday scenarios that have fallen on him from the opposition and also some of the points

which have been made from this side of the House and from Liberal members on the other side of the House.

Bill C-46 is one I have looked forward to debating. Anything that will streamline the operation of a government department and make it more clear to carry out its mandate is welcomed.

In particular I look at the improved business climate for entrepreneurs and the promotion of the tourism industry. The member for Broadview—Greenwood and I among other members have sat and talked in many long meetings about how to reinvent tourism in Canada. In the last 10 years the previous government almost eliminated tourism totally.

As a private individual I watched the bottom fall out of the real estate industry in Ontario, where a person's cottage all of a sudden was not worth anything or there was no market for it. I saw that and hoped that somewhere, some way this government I was elected to would take some initiative and try to re–establish some of the important sectors of our society. That is done with bills such as Bill C–46 which include provisions of the old act and yet become something new.

In the last 10 years there has certainly been a great decline in the initiative of entrepreneurs and people who are willing to come forward to finance small business, of which I was a part. I look at anything that will make that a clearer mandate or an easier path to follow, anything that will establish rules and say that yes, we do want to take a positive step in streamlining legislation. I speak to it for that reason and I look forward to the passage of the bill.

Victoria—Haliburton region has lost a tremendous number of jobs. Victoria—Haliburton is in Ontario; it is not in Victoria and it is not on the east coast. I do not speak as a person who has had the advantage of the financing of the east coast entrepreneurs. Ontario, particularly the central part where I am from, relies more on people in private industry to provide initiative.

In the last two years, for example, there has been almost 30 per cent constant unemployment in Haliburton county. The county is almost devastated. It swells the rolls of the number of people needed to administer the social assistance plan. It does not help anyone's self worth. It does not help anyone try to do anything.

I look at the tremendous loss since 1988 in Victoria county, the 2,400 jobs that were taken from there and I remember reading some of the articles by the member for Broadview—Greenwood at that time. He wrote about the things that could happen. He thought the branch plant economy was going to disappear, and it happened. Jobs were lost. This government has to take the initiative, has to go ahead and make the changes we need and that we believe will turn around that loss of jobs.

It will come through tourism in my riding. I hope it will come through other things and I will certainly work as hard as I can to bring industry and commerce to the most beautiful part of Ontario. I do not mean to speak disparagingly about any other part of Ontario; it just so happens that I do live in an area where the Kawartha Lakes depend on the rejuvenation of the tourism industry.

People ask how you service a riding of 10,460 square kilometres, 35 municipalities which take in a lot of Peterborough county and a lot of areas which should be in other ridings. Redistribution has given me areas of Brock township where I deal with boaters on Lake Simcoe, all the way through the Trent canal system right to the side of the city of Peterborough where that riding is looked after by another Liberal member. If you are in Ontario and you guess that anyone is a Liberal you are probably right 99 per cent of the time.

(1615)

When we deal with the Haliburton County Lakes, the Kawartha Lakes and the Trent-Severn waterway, the Rideau system that connects to it, look at how that has been decimated. The Trent-Severn waterway and the Rideau waterway were even offered to the provincial governments to see if they would promote them and they turned it down. At one time the Government of Ontario did a large job in promoting tourism in Ontario and now its budget has gone the other way and it sees no benefits to tourism. It indicated that tourism is not something it wants to get involved in.

The federal government has to step in and provide some leadership in promoting tourism, not only in Ontario but in all of Canada as Canada is obviously the best country in the world to live in. It has been written. People all over the world have commented that they would love to live in Canada, as we can tell by the number of people who apply.

As I watch the vestiges of the last government being taken apart by this government in a slow orderly fashion to try to promote and better the lifestyle of people in Canada through the promotion of streamlining of government and changing the system, it is hard for me to listen to the opposition. I know it is paid well to oppose and I know its opposition sometimes is well—meaning and I know also that some of its members probably have some good ideas and I am very anxious to hear what they are.

None of them has come forward yet with the changes to any of this legislation that has been proposed. I was looking forward to seeing if there was some concrete results that would come out of the opposition's chance to change and refine and turn this legislation into something it feels is better than what is being offered.

I feel what is being offered is once again a step in the right direction and will cause the rejuvenation of the department and in particular the slow and steady step of a government that is in control, that is going to turn the economy around. It is not going to do it by trying to jump over some huge gorge that has been mentioned. It is going to do it one step at a time, in an orderly fashion, looking at the various things affected by government change, taking into account all the municipalities that are involved, all of the various agencies affected by it and hopefully come out with a clear mandate for making this country the place we all want it to be, a better place to live.

Mr. John Bryden (Hamilton—Wentworth): Mr. Speaker, I would like to thank my colleague for his excellent remarks and I would like to add a little to them and perhaps get a comment from him.

I wonder if he would agree that the incentives for tourism are something that apply to this country nationally and are as relevant and advantageous not only to the country at large but to the country in its parts, to the west, represented by the Reform Party opposite and also to Quebec, represented by the Bloc Quebecois.

Does my colleague not agree that this kind of incentive for national tourism is something that is very good for Canada and for national unity?

Mr. O'Reilly: Mr. Speaker, I thank my colleague for the question.

I find it hard to change from my thinking. Quebec is a province in my country and when I go to Quebec I try to speak French. I try to converse with the people there and I certainly hope that their culture will be maintained.

(1620)

I see nothing wrong with that. That is commendable. I am of Irish Canadian heritage but I have to tell members that my mother was born in Birmingham, England. I also have an affection for the English. I have to be very careful with that, too.

I have travelled across Canada many times. I have been on the east coast and I have been on the west coast. There are some beautiful mountain ranges on the west coast, the fishing industry. Who could find anything more beautiful than Long Beach on the island, the beautiful Tofino and some of the places over there? The member obviously is from there and knows what I am talking about. I keep getting accused of being from Victoria.

As a government we have to promote all of Canada, Canada as a whole, as the best country in the world. When one goes into Quebec, one has to enjoy the cultural heritage and the beauty of

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Quebec as I do. There are no nicer regions to be in. There is skiing at beautiful Mont Ste. Anne, not to put down any other areas of Quebec.

One can go up the autoroute above Montreal and find some beautiful country. Even La Prairie as my friend has pointed out is also a beautiful area of the country.

When one promotes the prairies and shows tourists what is in the prairies, what is in the Northwest Territories, when one offers train packages from sea to sea to sea, when one takes this country as a whole and tries to sell it, being a salesman would be the easiest job in the world.

It is such an area, such a culture, such a diversity that I could expand upon that part and talk about our great country. I consider Quebec part of my country. I consider New Brunswick as part of my country along with Manitoba and the Northwest Territories. All that beautiful country is what makes Canada such a great place.

I am very proud to stand up and say that I am a Canadian. I am from Ontario but you cannot be perfect. It is as close as you can get.

As the Speaker has indicated, my time is almost up. I have complimented everyone in the House and that is what I meant to do. I want to fight for a promotion of tourism in Canada as a whole and each individual component has its own strength that draws from the promotion of Canada as a country.

[Translation]

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, I welcome the opportunity to take part in this debate as the member for Richmond—Wolfe and official critic for regional development. As such, it is my privilege to second the motion by my colleague from Trois–Rivières that we refrain from supporting second reading of the bill because it does not stop program duplication and overlap and fails to recognize that Quebec alone is responsible for its regional development.

Bill C-46, an act to establish the Department of Industry, does, I must admit, reflect some desire on the part of the government to rationalize its operations. It is also interesting to see that the Department of Industry is given a legislative mandate and that the legislation defining the former Department of Industry, Science and Technology and Investment Canada has been amalgamated with the legislation to establish the Department of Industry.

However, I was astonished to see that in Part II of the bill, the minister's powers also extend to regional development in Ontario and Quebec. The Bloc Quebecois is strenuously opposed to this centralizing action by the federal government. We emphatically disagree with the new powers and responsibility of the Department of Industry to formulate and implement policies,

plans and integrated federal approaches with respect to regional development in Quebec, as indicated in section 9(a).

(1625)

We also decry the powers enabling the minister to lead and co-ordinate the activities of the Government of Canada in the establishment of co-operative relationships with Ontario and Quebec and with business, labour and other public and private bodies as stipulated under clause 9(1)(c). By passing and implementing this bill respecting the Department of Industry, the Liberal government is flying in the face of Quebec's fundamental claim to manage its own development.

I would remind the members of this House that regional economic development is a residual jurisdiction and therefore not enshrined in the Constitution. Because of its power respecting economic planning, Quebec is demanding exclusive authority in this area. Ever since the Quiet Revolution, we deem the federal government's infringement in this jurisdiction that is exclusive to Quebec to be totally unacceptable and inadmissible.

The Liberal government must withdraw from this sphere of action and transfer to Quebec regional development funding in a fair and equitable manner. The sterile competition between Quebec and Ottawa regarding regional development and the policies of the Federal Office of Regional Development are costly, as you know, and result in overlapping due to the duplication of decision—making centres.

This maze of jurisdictions consumes so much energy that none is left to deal with the real problems. In the meantime, the money does not go where it should. There is an obvious contradiction in the claim by the Liberal government to the effect that it wants to eliminate overlapping while it makes sure with this bill that overlapping will continue to exist.

Regional economic development is an area which the federal government has taken over through its spending power, without taking into account Quebec's desire to take full responsibility for it. To conclude, I will say that I support and second the motion by my colleague from Trois–Rivières denouncing federal involvement in Quebec's regional development.

I would like to take advantage of the few minutes allotted to me in this debate to raise two basic points which are particularly relevant to the dynamics of regional development in Quebec. Let us first review briefly the federal involvement in regional development in that province. I will then deal in greater detail with the Quebec regional development policies which are clearly superior to any other policy developed elsewhere in Canada in that respect, this being said without false modesty.

As the Bloc Quebecois critic for regional development, I ask this House the following question: what has the federal government accomplished in this respect? Between 1982 and 1987, DRIE, the Department of Regional Industrial Expansion, the

federal agency responsible for regional development in Quebec adopted a sterile centralizing policy.

The regions were simply excluded from the financial assistance application development and evaluation process. Often, useless programs were subsidized, while initiatives having meaningful local value were not. The DREI decision—making process was dominated by sectorial concerns, with the result that more funds and energy were devoted to industrial development in central regions than to regional development.

When this became obvious, the federal government claims it reoriented its policy through a new strategy based on master agreements. This course of action proved no better than the previous one. Our unemployment rates bear witness to that. According to the Canadian Centre for Policy Alternatives, in 1993, unemployment cost the Canadian economy over \$109 billion. That is what the federal government involvement in the area of regional development has accomplished.

Let us take a look at what the master agreements do. Instead of giving the regional development resource envelopes directly to Quebec, allowing for income tax points to be repatriated, the federal government withdraws and cuts back budgets to such an extent that a structural vacuum is created with respect to regional development in Quebec. The Economic and Regional Development Agreement, or ERDA, for the 1994–2004 decade proves the point. It has not yet been signed and will apparently never be.

Last summer, the Federal Office of Regional Development for Quebec refused to sign the agreement, arguing that the time was not right in view of the upcoming elections in Quebec and considering it had signed an agreement respecting the free movement of goods between provinces the same week. Too much work for the same people in one week. That is how serious FORD is in Quebec; it only brings confusion to Quebec regional development.

(1630)

The FORD structure has been impossible to define ever since it was founded. It is always being reorganized. In short, it is like Jell–O. Now that the ERDA is no longer in effect, we are facing a structural vacuum. It would be very effective and much more serious for the Liberal government to recognize Quebec's jurisdiction over regional development. Accordingly, the government should transfer all monies set aside for this purpose.

It would be in the federal government's interest to admit that its involvement in regional development is unacceptable. The economic foundation of outlying regions—and they are different from major centres—is decaying, the social fabric is disintegrating, the rural exodus is continuing and young people are the first to leave their regions. The number of demographically shrinking municipalities has risen alarmingly in the last 25

years so that it is now higher than the number of growing communities.

The federal government's current involvement in regional development is therefore most unfair, as the figures from the FORDQ itself tell us. Atlantic provinces receive \$920 in spending per resident, Western Canada, \$240 and Quebec, \$230. As far as umbrella agreements such as ERDA are concerned, the federal government's record of involvement in Quebec is disastrous. In 1987, the total was \$431 per capita in the Maritimes, \$259 in Western Canada and \$64 in Quebec.

I should also point out that in the remaining subsidiary agreements with good results, the federal government backed out of \$75 million worth of financial commitments. I refer specifically to the withdrawal of funds for the Eastern Plan, which affects over 5,800 timber owners. However, since the federal government intervened in an area of provincial jurisdiction, we demand that the funds be repatriated in the form of tax points to be managed by Quebec.

Let us look at reality: cuts worth \$70 million are called for in the finance minister's February 1994 budget. Quebec regional development cutbacks will be spread over the next three years: \$14 million in 1994–95, \$32 million in 1995–96, and \$24 million in 1996–97. A FORD internal document issued at the same time as the budget states that the objective pursued is to cut financial commitments by half. Since the 1993–94 fiscal year, the financial commitment has averaged some \$20 million a month. The same document says that as of March 1, 1994, FORD's funding level should be reduced to \$10 million a year.

The federal government is leaving the field of economic development in Quebec and I want to mention the cuts in transfers to companies. In 1994, Quebec will lose \$70 million in funding; this situation is intolerable. We demand that funding be transferred to Quebec and that Quebec alone manage its development and its regional development organizations.

From another perspective, we can say that the federal government's involvement in development is just a way to show its presence. It is a way of showing the Canadian flag with everything it is doing in all sectors of the economy and in all the present constitutional fields. With its involvement, the federal government increases its visibility but its action remains ineffective.

FORD's action is not based on a comprehensive vision of local development. It more often takes a scattergun approach. From reading some FORD documents, we get the feeling that it is a federal propaganda agency in Quebec. Thus, in a document published in January on a new approach for programs concerning small and medium–sized businesses in Quebec, we read that FORD is well placed to represent the federal government to small and medium–sized businesses and, a little further, that these specific agreements are intended to establish a properly co–ordinated federal presence.

(1635)

So, the Federal Office for Regional Development becomes the co-ordinator of the federal activity in an area of provincial jurisdiction. This duplication is interesting in that it says much about the centralizing objectives of the federal government. From now on, it is clear that, under the cover of FORD, every federal department wants to extend the scope of its activities in Quebec.

This is why Part II of Bill C-46 includes a set of specific objectives regarding FORD and regional development in Quebec. This is a case of shameless interference in a Quebec constitutional jurisdiction. The new mandate of FORD is clear: that office gives up any type of core agreement to concentrate instead on specific agreements. While freeing itself of financial commitments, FORD takes on the responsibility of an information broker for small and medium businesses, thus limiting its activities to searching for new markets, promoting research and development as well as export markets for regional businesses, thereby duplicating the role of already existing organizations.

FORD is fulfilling the responsibilities of already existing organizations such as industrial commissioner offices and development corporations in several regions. This duplication is confirmed by an act. Why yet another duplication of institutions and structures? Why this waste of energy and human resources? The federal system is the initiator of a series of disastrous money–wasting schemes which are largely responsible for this country's excessive debt.

In Quebec, the future of regional development is dependent on respecting Quebec's jurisdiction in that all-important sector. In our province, the future is contingent upon a decentralization of power. Does the word decentralization suggest anything to you? I am referring to a decentralization in favour of regional decision—making levels which are well aware of their situation, including regional county municipalities, which form the first level of government. The Quebec government recognized the primary decision—making role to be given to regional development councils to ensure that regions would have control over decisions which directly affect the socio—economic life of their communities.

The federal government should pledge to withdraw from that sector and not interfere with the priorities of the strategic planning done by every regional county municipality and every region in Quebec. The creation of regional county municipalities by the Parti Quebecois in 1980 was one of the first elements of the current regional development structure in Quebec. The first socio–economic summits of 1985, as well as the reform undertaken by Liberal minister Yvon Picotte, are other important elements of this very particular structure which led Quebec to the creation of regional development councils. These councils have the mandate of planning, co–ordinating and programming

the development and to ensure joint accountability with local authorities and the provincial government.

In short, these councils are regional consultative and decision—making assemblies. Because of its dynamic role, regional economic development in Quebec is at the centre of the issue of global development in that province. In 1988, the Government of Quebec developed and published its own regional development policy that, even before the Federal Office of Regional Development existed, concentrated on the development of regional enterprises. Its goal, to stimulate entrepreneurship and create jobs in the regions, was a distinct departure from the traditional approach that emphasized the construction of public utilities and infrastructures. There is nothing particularly new or innovative about the new focus of the Federal Office of Regional Development.

(1640)

Once again, the federal government is merely setting up the same kind of regional development infrastructures that already exist in Quebec, and it has clearly confirmed it has no intention and no desire to remove overlap and respect Quebec's wishes.

In a world where free trade has lowered trade barriers and exposed regional economies to fiercer competition, the new government in Quebec wants to promote local responsibility for regional development. The policy of the Parti Quebecois now in power is clear and unambiguous. It provides for a new sharing of responsibilities by the Government of Quebec with regional governments represented by the l'Union des municipalités du Québec and l'Union des municipalités régionales de comté du Québec among others.

From now on, regional development in Quebec is to be focused on the authority of the regions, a far cry from the endless hesitation of a federal government that does not know where it is going. The Parizeau government has made regional decentralization a priority, and the federal government should be aware of that.

The policy of the new government in Quebec is clear: decentralization will be the responsibility of authorities who are accountable and must include autonomous resources and fiscal powers. The regional municipality will become the decision—making centre and, as such, the new basis for regional and social economic development in Quebec.

To deal with the various aspects of regional issues, a planning and consultation instrument is absolutely necessary, and so we have the Conseil régional de développement, the Regional Development Council. If the federal government will not recog-

nize what is being done in Quebec to give the government's decision—makers the responsibility, funding and power to make those decisions, it is not on the right track and merely confirms its decision to centralize all powers in the centre of the country and ignore what is being done in Quebec.

Finally, we demand transfer of funding and full recognition of Quebec's exclusive responsibility for regional development.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General): Mr. Speaker, I really wanted to hear the hon. member. Rather than a member serving his constituents, he seems to be representing bureaucrats. Frankly, the number one priority among Quebecers, and in particular those living in remote areas, is job creation. When he dares say—

Mr. Leroux (Richmond—Wolfe): Ask your question.

Mr. Gagnon): True, I should get to my question; I will have another opportunity to talk about this issue.

Could the hon. member name the federal government failures in eastern Quebec, when we know that over the last 20 years major investments were made in all kinds of port, airport and tourism infrastructures, as well as in small businesses? Does he refuse to acknowledge that more than 1,000 small businesses took advantage of the liberalities—yes, "liberalities"—of the federal government? Could he name some who might have been resounding failures? There may be some but I doubt it. I would like him to tell us who are these 500 eastern Quebec companies who were not well served by the federal government.

Mr. Leroux (Richmond—Wolfe): Mr. Speaker, first of all I would like to remind the hon. member for Bonaventure—Îles—de—la—Madeleine that, as regional development critic for the Official Opposition, I am not without experience. I worked in that field. If the hon. member knows his area, he will acknowledge that tens, hundreds of people in his region, his RCM, took part in the development of strategic plans for their area, in the analysis of strengths and weaknesses in the riding and the region. The results were then discussed at the regional council level and prioritized before inclusion into a concrete regional development plan. This is what I call working with people, not bureaucrats.

(1645)

What I would like to stress to the hon. member, who is long on rhetoric, is that our main concern is to ensure that the proper regional development organizations in Quebec are recognized, region by region, and to ensure also that the central government, in Ottawa, recognizes Quebec's intention to decentralize its services towards the regions, bringing them closer to the people.

[English]

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I very much enjoyed the impassioned address of my hon. colleague from Richmond—Wolfe. If Quebec were to have exclusive jurisdiction in regional development, should Quebec also have exclusive responsibility for raising funds in Quebec for disbursement in Quebec? If so, would Quebec be able to maintain spending at current levels?

[Translation]

Mr. Leroux (Richmond—Wolfe): Mr. Speaker, I did mention in my speech that this is not covered by the Constitution. The involvement of the federal government in regional development is only due to its spending power and is not enshrined in the Constitution.

The regional development initiatives taken by the Quebec government in the last 10 years have resulted in more co-operation between all the major economic, social, health and education stakeholders and a learning process during socio-economic summits, followed by consultations, which ensure that the reform introduced by Liberal minister Picotte, in Quebec, really led to some money transfers to the regions.

The current situation is best described as follows: the regions can decide and have real budgets. What we want now is to go beyond tax transfers and have the power to levy taxes through regional county municipalities. That would give us a real tax base and enable us to make real decisions and solve regional problems which would have been analyzed at once by people in the regions. So, as you see, tax points are important.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, since we only have a few seconds left, I will be brief. I just want to assure my hon. colleague that this government respects all provinces, including Quebec.

I want to ask him a question about a very important issue he raised. It has to do with overlap and duplication. Given the changes undergone by the machinery of government during the last ten years, would he not agree that progress has been made? It seems to me that we have less problems than we used to have. I have been examining this whole situation for a while and I wonder if the hon. member has come to the same conclusion as I have and would agree that progress has been made and there are less overlap and duplication than before.

Mr. Leroux (Richmond—Wolfe): As my hon. colleague just said, it is true, Mr. Speaker, that some progress has been made and that individuals have co-operated with federal agencies in that area, but the fact is that nothing really happened. I cannot answer yes to his question. Directives and standards applied within federal agencies are never quite in sync with standards applied elsewhere. So, civil servants are always on business trips, travelling throughout the country to meet their counter-

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parts and say: Your standard does not meet mine. We will have to meet again next week, because I have to go over this with my boss and see what can be done.

This is not only duplication, but also a waste of human resources and money.

The Deputy Speaker: It is my duty, pursuant to Standing Order 38, to inform the House that the question to be raised tonight at the time of adjournment is as follows: the hon. member for Bourassa—Immigration.

[English]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I am very pleased to take a few minutes to speak on the subject of Bill C-46, the Department of Industry Act. This is very comprehensive legislation providing for a department with far-reaching responsibilities and a wide array of instruments to carry them out.

The department it creates is a necessary tool in the agenda of the government to generate economic growth and job creation and to prepare for the innovative and, indeed, very different economy of the 21st century.

Bill C-46 recognizes once again what are the real needs of the new economy, what is demanded of Canadians if we are to continue to enjoy the economic well-being that a resource rich past has made possible.

(1650)

This bill provides the organizational structure to permit a consistent, coherent focus on those strategies which will assist Canadians in the transition from a resource based to an information based economy.

This organization will have the lead role in generating the consensus and gathering the studied advice of the main players in the economic development game, whether they are business people, scientists, engineers, educators, consumers or other governments.

The bill recognizes that at the heart of economic development and job creation are science and technology, research and development, technological and managerial innovation, areas that have for far too long been neglected in this country.

Attention to these issues and approaches to the challenges they present are long overdue. Canada has been slow to recognize the importance of innovation and technology to competitiveness. Technology has transformed the economy dramatically with increasing growth in the knowledge and information based industries.

Also technology is revolutionizing the way we do business in manufacturing, in resource industries, and the service sector. Thus innovation has become the key to growth in both the new and traditional sectors of the economy. Our performance in embracing innovation has not been spectacular.

For example, the percentage of Canadian firms that carry out any research and development activities is less than one-half of 1 per cent of Canadian enterprises. That is unacceptable.

Further, not only do we have too few leading edge firms developing new technologies, we do not have enough Canadian firms searching the world marketplaces to find technology and bring it home, using it here to build our innovative capacity, in other words adapting it to the Canadian experience.

Canadian businesses, scientists, and Canadian workers are becoming increasingly aware of these needs and yet they cannot meet such challenges by themselves individually and separately.

Somehow the concerted, co-operative effort of all the participants must be brought to bear in addressing the problem. That is precisely what the government has recognized and is taking steps to bring about.

The red book that first outlined the agenda that the government is following pointed out the need for an innovative economy. It also pointed out that innovation does not just happen. It thrives in countries that consciously understand the innovative process and take measures to create a national system of innovation.

It stated that the role of the federal government is to work with the private sector, to identify strategic opportunities for the future, and then to redirect existing resources toward their fulfilment. Common sense, a hallmark of the government.

That is the spirit in which the government has approached the science and technology sector as a key to development of an innovative economy. The February budget illustrates that spirit in action. Again, common sense.

The federal government spends about \$6 billion per year on science and technology. Tax expenditures account for about \$1 billion more. One of the measures announced in the budget is a true strategy to maximize the benefits of these expenditures, a strategy for research and development with priorities, direction and review of results.

The Minister of Industry was charged with the task of preparing a paper on science and technology clearly stating the government's priorities, to set the stage for a national dialogue on a new national science and technology strategy. This paper was released on June 28. In the meantime a full review of science and technology programs is under way.

The February budget also announced a number of initiatives to further the cause of an innovative economy. The Canadian technology network to help small businesses get access to new technology to compete in world markets was announced, as was a technology partnership program to help smaller firms gain access to research results done in government and university labs.

An engineers and scientists program will help small businesses get the technological expertise they need. Development of a Canadian strategy for the information highway was announced. Again, common sense.

Other decisions and initiatives have followed. Negotiations were completed with the United States for participation in the space station resulting in an excellent deal for both countries.

A new long-term space plan was announced. The National Centres of Excellence funding was extended, 10 networks renewed and the second round of competitions for new networks launched.

(1655)

A new president of the National Research Council was appointed and the council's declining budget was stabilized, as were those of the granting councils.

Initiatives aimed at helping young Canadians adapt to an innovation economy such as SchoolNet, Computers for Schools and Innovators in the Schools have met with great success.

The evidence is clear to me that the government is on the right track and well-launched on the route to assisting in the creation of an innovative economy. The bill which officially establishes the chief instrument of the federal government's role in this task is yet another step along the route.

The Department of Industry created by this bill will be uniquely equipped to become the workshop in which the major players in the innovative economy can forge their weapons. This is the organization that will be able to provide the listening post, host the consultations, lead the discussion and develop the resultant policies.

It will be able to provide the consistent, continued attention required to develop and implement coherent strategies over the time required for them to be effective. Common sense once again.

I have every confidence in the abilities and creative energies of Canadians. I do not find the idea of common sense funny. I find it, again, common sensible. I am sure we have the capacity to create an innovative economy capable of competing in the global marketplace well into the 21st century, as long as we do not spend a lot of time laughing.

What Canadians need to get the job done is the kind of common sense leadership that the government is providing; leadership with clear objectives and concrete measures to achieve them. Bill C-46 is one of these concrete measures. I firmly recommend its approval by the House.

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, my colleague mentioned that we have a new president at NRC. The gentleman's name is Dr. Arthur Carty. He was vice-president in charge

of research at the University of Waterloo. That is most significant because the University of Waterloo has very much been an innovator in the new technology.

I wonder if the hon. member would like a comment on the following. So often we hear the laissez-faire approach from the Reform Party but when we look at successful economies presently able to compete internationally they are economies with a national strategy.

Would the hon. member agree this puts us in a position of being able to have a national strategy with a Team Canada concept as we go out and compete in the international market-place, exporting, bringing business to this country, putting people to work?

Ms. Clancy: Mr. Speaker, I want to thank the hon. member for Waterloo for his question. Indeed I would agree most particularly. As the hon. member is aware, my riding of Halifax as well has universities that have been part of the kind of development that his well respected University of Waterloo has been.

Without an industrial strategy such as the one proposed through the Department of Industry in concert with the Department of Finance and other departments, we will not be prepared for the next century. I know this perhaps better than some because I come from an area of the country that suffered a great deal when we agreed to choose Canada and become part of this great country in Confederation.

We had a north-south bias. We had the days of wooden ships and iron persons as we now call them. Many things happened in the way of transportation, the passage of goods and other things that were not always to the financial benefit of Atlantic Canadians.

However, being part of this great Confederation has always been to the benefit of Atlantic Canadians. We are perhaps not the proudest but among the proudest citizens of this country. We are glad we chose it and would do so again and again.

(1700)

We also know that to ensure our region is healthy, to ensure that Ontario, the engine that drives the country, is healthy and to ensure that the great Canadian west and north are healthy, an industrial strategy is an absolute necessity.

I applaud the minister and the department for the work they are doing in this area.

Ms. Maria Minna (Beaches—Woodbine): Mr. Speaker, I am happy to speak on the subject of second reading of Bill C-46, the Department of Industry Act.

Like other members who have spoken on this topic, I am convinced that this bill is a sound strategic initiative by this government and an excellent piece of legislation. I like this bill for its comprehensive inclusion of the chief functions necessary to achieving the government's agenda for economic growth and

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job creation, for its incorporating under one organizational umbrella the many concerns related to growth.

I take particular satisfaction from the recognition by the bill of the importance of small and medium size businesses and tourism. My riding has many small businesses and I believe firmly that this bill will be of great assistance to them.

In recent months as I met and spoke with small and medium size businesses in the metro Toronto area one of the recurring things that came through consistently was that is was very difficult for them to access government programs. It meant going from department to department and most small and medium size businesses do not have the resources to research what government programs are available, how to access them, who to talk to and how to research them and whether or not their company is eligible for any of these aids or partnerships that we offer.

It is important and critical that the four departments are now coming together, that there will be one stop shopping and that the businesses will be able to access these programs and work collectively.

In order for Canada to succeed in the global economy and to create the jobs that we need it is important that there be one consistent vision and one cohesive approach to strategic planning. To me it is important that when we put together R and D, the manufacturing, marketing, the promotion of mobility across this country and all of the things that this department will be grouping within it, these things work together, that one augments the other and supplements the other, and that business can access all of it at the same time.

Some of the examples that were given to me by business were things such as research and development is great but you can develop a product and not be able to bring it to market. One example was given where there was some research done by a university but where the product was in the end manufactured in the U.S. The jobs are in the manufacturing, not just in the research. That is where a large number of jobs are. It is critical that these kinds of things happen within our country and that kind of linkage exists.

It is also very important to me and I am very pleased to see that sustainable development and the environment are included in clause 5 of this bill. Putting together the environment and industries in the same clause, dealing with it very aggressively in making it a partnership is very critical. We have to be leaders in this country. The environmental industry is job creation. It is a plus. It is not a detriment, as some people might think.

To me it is extremely important that industry will be working together with the environment and that the environment is part of the planning of industry so that it is not something separate that one does as an adjunct to the industrial strategy of this country.

The red book which detailed this government's agenda before the last election foresaw this bill. It announced that the government would focus on small and medium size businesses as the determining factor in turning around the economy. The speech from the throne made good our electoral commitment by placing small and medium size businesses at the top of the agenda, focusing on them for long term job creation.

The February budget followed through, announcing a long list of small business related initiatives. With the February budget papers the government published its action plan entitled growing small businesses. This publication was meant to stimulate discussion and get the business community actively engaged in helping to create an environment more conducive to small business and entrepreneurship. For example, Industry Canada is exploring with the Canadian Chamber of Commerce the feasibility of developing a business network strategy to set up some 30 business networks to foster co-operation and collaboration among small and medium size firms with common interests.

Also, an array of initiatives has been announced as part of the small and medium size enterprise agenda.

(1705)

A pilot program will be launched under the technology partnership program, exploring the feasibility of incentives for universities to enter into partnerships, the small and medium size firms to develop emerging technologies for industrial application.

As part of the science and technology review, the Secretary of State for Science, Research and Development will conduct consultations on a program to provide small and medium size firms with cost shared salary support for hiring scientists, engineers, technologists and industrial designers, as my colleague said previously.

A new fund has been established to help expand existing business through the Federal Business Development Bank. The Canada community investment fund has been announced, one of the aims of which is to ensure availability of equity financing for small firms.

Industry Canada is working with a private sector coalition to set up a national business network demonstration program. The program will help business create networks to foster co-operation and collaboration and better prepare Canadian small and medium size businesses to compete at home and internationally.

Another example of our recognition is the hospitality industry. The key role of tourism in the economy is clear. Five per cent of the Canadian workforce is employed in some 500,000

full time equivalent tourism jobs in more than 60,000 enterprises.

Employment in tourism is growing one and a half times faster than industries as a whole. Visitors to Canada last year contributed approximately \$9 billion in foreign exchange and Canadians added about \$18 billion while travelling within Canada.

I want to point out that it is not simply in work within this ministry that co-operation is happening. We look at the HRD department and how it is going to be complimenting what we are doing in this department. Look at the hospitality industry. That department has recently signed an agreement with the National Tourism Human Resource Council. Its objective will be to co-ordinate and support research and analysis of the industry's training needs. It will formulate national occupational standards and certification programs. It will provide the means for the sharing of information initiatives and it will be a national advocate on behalf of the tourism industry for human resource issues.

Human Resources Development Canada endorses the council and the goals that it has set for itself. The federal government is contributing over \$977,000, the tourism industry is providing over \$2.2 million or thereabouts. This is only one of 13 sectoral agreements that had been signed. Since the hospitality industry agreement was signed a great many more have been signed.

This shows that we are not just looking at the industrial side which is absolutely necessary. Coupled with that we are also looking at the manpower required in order to create the jobs in these industries. There cannot be one without the other. We have a new bill and new department pulling together all of the industrial strategies necessary for the country.

However, we also have another department that is looking at the manpower required and arranging sectoral agreements with various sectors of the economy to create the kinds of skills and manpower required for the jobs we are creating for the future.

I am very much in support of this bill and I want to congratulate the minister for pulling this together. I hope the House will support it.

Mrs. Carolyn Parrish (Mississauga West): Mr. Speaker, Bill C-46 is a balanced, streamlined and positive bill. The country is ready for a new industrial, scientific revolution.

I would like to share briefly with members some of the signs that are occurring in Mississauga and I would like to ask for her comments at the end.

Mississauga is the ninth largest city in the country and is a microcosm of Canadian society. The forecast for housing in Mississauga was \$600 million. It was revised today to \$850

million in new starts. The industrial growth has been revised from 2.2 million square feet to 3.5 million square feet for next year.

Does the member for Beaches—Woodbine believe that Bill C-46 and all this wonderful economic activity going on in Mississauga balance or co-ordinate at all with the election of a sensible, positive Liberal government?

(1710)

Ms. Minna: Mr. Speaker, obviously it does compliment. I suppose that is a leading question if I ever had one but it is a great question.

The member is quite right. We talk a great deal in this House about getting rid of duplication and cutbacks. There are all kinds of comments coming from the opposition about the overlap. In this case we are doing exactly what a great many people have been saying, let us get rid of the overlap of the duplication and let us pull together into one bill all of those aspects which are necessary to deal with the new strategies of the global economy and the new technologies of today. We are dealing with technology. We are dealing with all of the different aspects that involve these things.

At the same time we are looking at the manpower needs for the future in the new strategies of industry. Small and medium size businesses need this kind of assistance and infrastructure. They are working with us. We are not coming up with these solutions or policies in isolation without consultations with small and medium size businesses and business in general in this country.

As I said, the sectoral agreements which were signed by the Minister of Human Resources Development were signed in agreement. We are working together and sharing the responsibilities. That is how this country was built and where the future of this country lies, in a partnership with business.

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, I am pleased to speak on this bill.

Bill C-46 provided the federal government a chance to do more to change the status quo. This bill will give the Minister of Industry powers relating to regional economic development programs in Ontario and Quebec. This is outlined in part I, subclause 4(2) of the bill.

Will these powers actually extend to the Minister of Industry and will he retain these powers or will the Governor General continue to vest to the Minister of Finance control over the federal office of regional development Quebec? We will be watching these developments very closely.

It is clear that present ways of administering government lack effectiveness and efficiency. I need only point to the federal debt which is well over the \$500 billion mark and rising to illustrate that point.

By the end of the next three years this government will have added approximately \$97 billion to the federal debt. That is the

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highest increase in the history of Canada for any three year period. The so-called fiscal plan of the government short-changes all Canadians. The plain fact is that fixing the deficit targeted at 3 per cent of GDP is not good enough when our federal debt is at 71 per cent and the total public debt is nearly 100 per cent of GDP respectively.

The government must change the way it operates now if it is going to bring the country's financial house in order. Bill C-46 does little to achieve this goal which is the main reason we cannot support it.

Bill C-46 is a statement of what the Department of Industry does. This bill gives the minister sweeping powers to create an environment where government is the central tool of economic development and deeply involved in the private sector. My colleague from Okanagan Centre went into great detail in that area.

There were 52 Reform MPs elected for some very fundamental reasons. The Canadian electorate wants change to the system. Last year's election was the first wave to bring about that change. One of the reasons Reformers were elected has to do with our policy regarding private enterprise. Reformers believe that private enterprise must be the engine which drives the economy. A dollar left in the pocket of the businessman is more efficiently spent than a dollar spent by the government. This is common sense. Businesses are in the business of creating jobs, making and investing money and unfortunately governments are in the habit of spending it, very often frivolously.

(1715)

Reformers value enterprise and initiative. We see the government's role as fostering and protecting an environment in which initiative and enterprise can be exercised by individuals and groups. Regional development programs have the potential to create waste and abuse. It is no surprise that a senior cabinet minister from Quebec is currently in charge of FORD–Q. Nor is it a surprise that a senior cabinet minister from the west is in charge of Western Economic Diversification. And the Atlantic Canada Opportunities Agency is administered by the Minister of Public Works and Government Services.

These regional development programs, which account for well over \$1 billion per year, do little for the long term benefit of the country. They are supposed to enhance employment opportunities, strengthen the national economy, stimulate investment and promote the interests and protection of Canadian consumers

These are not my musings, they come straight from Bill C-46. However I submit that these programs do very little to achieve their self-proclaimed goals. FORD-Q is an example of how a regional development program just does not stack up. The objective of FORD-Q, as outlined in the 1994-95 main estimates, part III, is to promote the economic development of the regions of Quebec with low incomes, slow economic growth or

inadequate possibilities for productive employment, by emphasizing long term economic development and sustainable employment and income creation.

In an address to the Standing Committee on Industry in May the finance minister waxed eloquent, as he usually does when he speaks, about the so-called merits of FORD-Q. He told the committee:

Over the last six years FORD–Q's activities in all the regions of Quebec have created remarkable spin–offs: \$1.1 billion invested in more than 3,600 projects, a total investment of nearly \$5.8 billion and 56,000 jobs. We have enjoyed outstanding success.

I find it very interesting that the finance minister considers spending over \$103,000 for one job to be an efficient use of taxpayers' money. What is even more interesting is what the finance minister said to the committee in his next breath:

Quebec is nonetheless saddled with an unemployment rate that approaches 13 per cent.

The evidence is there. In the last six years FORD-Q has done little to promote long term economic development and sustainable employment. Quebec has an unemployment rate higher than the national average, yet part of FORD-Q's mandate is to promote sustainable employment.

Additionally, FORD-Q was to help convince Quebec to stay in Canada. It is a miserable failure in that area as well.

It is important to point out that FORD-Q is not the only regional development program which falls short of its mandate. The Atlantic Canada Opportunities Agency also merits comment. Since ACOA launched its co-operative program in 1989, a program of federal-provincial economic development initiatives, two things have happened: first, the average unemployment rate in the Atlantic region has increased by nearly 2 per cent; second, the number of people on welfare has grown by nearly 3 per cent.

I ask the question: Has ACOA really made the Atlantic economy more viable? The numbers would seem to indicate otherwise, as would the deplorable state of the fishing industry, especially in Newfoundland.

Western Economic Diversification is another example of a regional development program engaging in huge expenditures of taxpayers' dollars. This year's budget for WED is over \$452 million. Its mandate is to promote the development and diversification of western Canada's economy. Since its inception in 1987 to the end of fiscal 1993 WED has doled out more than \$1 billion to over 3,000 projects. That is over \$330,000 per project, never mind the fact that only 40,000 jobs, many of them short term, have resulted from this huge expenditure.

The average welfare rate in some of the western provinces has gone up by almost 2 per cent in the last three years, and the unemployment rate has followed a similar path. Again the numbers indicate that regional development programs are not very effective.

As a critic for regional economic development, I would like to relate some information we obtained which shows why these programs are questionable expenditures of taxpayers' dollars.

(1720)

FORD-Q recently finished up its support program for fashion design. This program committed \$2.9 million to raise the profile of fashion design from the Montreal region. Of that \$2.9 million, \$2.6 million was in the form of grants, money which is not repaid. On researching this particular program we found that three companies went out of business shortly after receiving their grants. There were three additional companies for which FORD-Q officials could not account. Why would FORD-Q give money to these companies without keeping tabs on their progress?

We looked into the whereabouts of these companies and found that only two of the companies were still in operation. Combined, the grants for these companies totalled over \$234,000. That money has gone up in smoke. FORD-Q officials cannot even keep track of where the money is going. FORD-Q under the Montreal development fund program is now handing out another \$1.5 million to the fashion design sector. How much of that money will go unaccounted?

Taxpayers would rather manage their own money than have one branch of the government take it and pump it back into programs that just do not seem to work. There are examples this kind right across the country. Taxpayers deserve a better fate than having their money squandered on so-called regional development programs. It is no wonder division exists in the country when questionable programs for every region of Canada waste taxpayers' dollars.

As a new government the Liberals have a chance to truly change the way things are done. These regional development programs were used by the Tories as pork-barrelling tools. I would encourage the Minister of Industry to do a thorough review of all the regional economic development programs, including western economic diversification.

In fact I ask the minister to go even a step further and turn all economic development over to the provinces.

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, the suggestion of the hon. member in his speech dealing with western diversification is that there should be a review. That is presently taking place. The review is being conducted.

During this review and while visiting communities in Alberta and British Columbia, the business people in those provinces have indicated that there is a need for western diversification funding during a certain time in the development of product. In Saskatchewan the biotech industry exists because of western diversification. It has become the envy of other science communities and has become one of the leading biotech centres in the world.

Does the hon. member feel that all funding for all purposes in the development of industry in western Canada should be cut off by western diversification? If so, does he see any role whatsoever for western diversification in western Canada?

Mr. Breitkreuz (Yellowhead): Mr. Speaker, in so far as the human resources review is concerned it has been so on and off that no one really knows where it is right now.

Our policy is to cease funding to regional economic development. The reason why Alberta and to some extent B.C. have diversified their economies so well has not so much to do with federal funding, it has to do with the provinces providing the right kind of atmosphere and climate for these diversifications to occur.

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, this bill that is before the House today—

Mr. McClelland: Mr. Speaker, I rise on a point of order. I believe that my hon. colleague was splitting time with me so that I should probably be up at this time.

(1725)

The Deputy Speaker: The lists change all the time. It was the Chair's understanding that the Reform Party was not splitting time and that the member for Edmonton Southwest was going to go for the full 20 minutes if he so wished after the two members on the other side.

Mr. McClelland: Mr. Speaker, I will follow the Liberal speaker.

Mr. Hopkins: Mr. Speaker, the Department of Industry Act in Bill C-46 that is before the House today combines many things into one department. There is not too much wrong with that because in the last Parliament—at least in 1984—we saw 40 ministries represented in the House of Commons. It was the largest cabinet in Canadian history.

Today we have 22 ministers in the House of Commons. The Department of Industry Act will provide a clear, comprehensive, legislative mandate and some co-ordination for many of those departments that were before separated and divided among 40 people.

Some people have the idea that everything the Department of Industry will be doing was listed by the parliamentary secretary today when he was speaking. Why should it be all listed? I believe we can safely say that such an impression is just that, it is an impression. While titles ideally should be symbolic, they should not be mistaken for substance.

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If a number of subjects are built into one department and the minister has some initiative, some vision and some leadership ability, as we have in the Department of Industry, all those things are going to be co-ordinated very well.

The minister has many challenges in the proper co-ordination of all the various agendas that have been handed to him in one department. Let us take tourism for example. One of his jobs is to promote the tourism industry.

I have seen a very good group of tourism people put together in former departments shoved from one department to another. In recent years, they have been chopped to pieces and now just a few of them are left.

I sat in on a committee in the last Parliament where even representatives of big tourist industries were saying: "We do not need Tourism Canada at all. We can look after ourselves. We would rather promote ourselves." That is fine if you are one of the big tourism industries. They can look after themselves at home and they can do their advertising abroad. The small and medium sized industries are not in the same favourable position.

We should be promoting tourism in every nation of the world. Canadian citizens represent a lot of people from various countries. We should be zeroing in on those countries because there is a friendship base to go on. We should invite those people to come over here to visit their relatives and to travel. We also should go into the massive population areas of the world as well and advertise there.

Seventy per cent of the world's population will be living on the Pacific rim in the year 2000. That is the area where Canadians should be zeroing in for tourist business as well as for international trade.

In every phase of the Department of Industry that this bill is setting up today, we are going to require that vision, that breadth of mind, the determination that we mentioned in the red book during the election campaign. New initiatives are necessary. We cannot stay with the status quo. We cannot promote the status quo. We have to change with the demands of the international market. That should be no big problem.

(1730)

Under the new legislation we will have sections in the department of industry such as science, development of new technology, communications, investments, consumer and corporate affairs and industrial development generally. They are not the total department by any means. We need some co-ordination. In the Public Service of Canada and other sectors there have to be people with some imagination, and real life experience does not hurt once in a while.

We talk about high technology. Many people think of it only in terms of industry, that is the old term industry. They forget that agriculture is an industry. We have large farms today that are industries in their own right. We have the dairy industry. We

have new technologies in the dairy industry, the beef industry and in cash crops. We could talk about any of them. There are new developments.

If members want to see the change in the agricultural industry over the years they should go to a modern day ploughing match such as the one we had in Renfrew county this past week. They will see all kinds of changes. Even the faces of members of Parliament who go there change. I am proud to say that 17 members of the House saw fit to plough. I congratulate the hon. member who came first, a member of the Reform Party from British Columbia. I compliment my colleague from Hastings—Frontenac—Lennox and Addington who came second. I congratulate the hon. member for Erie who came third. However it would do us a lot of good if we kept up with modern technology. Maybe we would make better ploughers.

Nevertheless we have all this equipment and advertising, 42 city blocks of it, and people talk about agriculture as if it is a way of life. It is a real industry in itself and that is what every parliamentarian has to realize.

I notice investment is a very important part of the new Ministry of Industry we are setting up today. If there is anything that businesses need today, it is stable financial sources to work with. If there is anything we have to do in Parliament, it is to provide a source of money for industry to operate, to develop and to progress.

The Federal Business Development Bank will have to change. There must be reforms. We have to move into a new era. In my view Parliament, the 35th Parliament of Canada, and the present government have the greatest opportunity. Yes, they have many challenges but along with the many challenges are the great opportunities. The Government of Canada, ministers and members of the House have a great opportunity to bring a new deal to our nation of Canada. We have to do it with some vision. We have to look forward. We cannot be antsy about changing our ways.

Recently a Japanese homebuilder along with a Canadian entrepreneur visited my office. The Japanese want to buy houses from Canada, but they do not want to buy houses that will North Americanize the Japanese culture. They want Canadians to produce parts for their housing that will retain the Japanese culture. If that is what they want and if there is a big market there, it is up to Canadian entrepreneurs and the department of industry to work with them to develop new housing to suit the Japanese culture.

(1735)

China is opening up. There are all kinds of new ideas and new opportunities. The message the Minister of Industry has to send to industries and entrepreneurs in Canada is that it is for them to make their product fit the demand.

The Minister for International Trade is going around the world. He has to find opportunities, bring them back to Canada and give them to our entrepreneurs. They should be flexible. With the expertise in the department of industry they should be able to meet that market, make a great success for Canada and provide jobs, great opportunities and growth right in Canada.

[Translation]

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle): Mr. Speaker, Bill C-46, an Act to establish the Department of Industry, is yet another initiative, another attempt by this government to achieve the targets it had set itself in terms of economic growth, job creation and federal administration restructuring.

Whether we like it or not, Canada is rapidly moving away from the widely resource—based and strongly labour—intensive economy we have had so far and towards an economy based on information, knowledge and innovation. The economic standard calls for the restructuring of not only our industry and trade, but also our society. It also calls for greater attention being paid to basic factors, that is to say the underlying sources of growth and competitiveness as well as to the establishment of a climate conducive to entrepreneurship and less reliance on government financial assistance.

We must do better in the areas of education and training and emphasize research and development. Today more than ever before, we must face changes with an innovative and flexible attitude. We must take an international perspective which opens the door to both unforeseen opportunities and stiff competition on the globalized markets. The infrastructure will have to be capable of supporting tomorrow's economy, which pre–supposes making available to the Canadian public in general world–class communication and information technologies.

We must also make all of our activities more effective, in the private and public sectors alike. Business and industry must eliminate waste, reduce costs and make the most of Canadians' skills and talents. More generally, in order to revive the economy, the government must give priority to fostering a climate in which businesses can create more jobs for Canadians, and that is just what the Prime Minister did on September 18 when he announced the program to be developed by the Department of Industry by the end of October.

(1740)

This program is aimed among other things at improving the business climate for entrepreneurs, helping businesses take advantage of the new technology, searching for growing markets, and promoting the tourism industry in particular. It will not be easy to meet all these requirements. All participants will have to work together continuously. Furthermore, the government will have to adopt a consistent approach to the allocation of our resources and to the development and implementation of these same policies. That is why we have brought together in one department all the effective economic development tools that previously came under the Department of Consumer and Corporate Affairs, the Department of Communications, Investment Canada and the Department of Industry, Science and Technology.

First, this reorganization will increase efficiency by eliminating duplication and overlap. Second, it will lead to more coherent policy development and thus greater effectiveness. The mandate of the Department of Industry is to promote economic development in Canada and to continue to keep the commitment made in this regard. Instead of simply distributing money to solve problems, the Department of Industry will work in conjunction with industry, teachers, scientists, technologists, researchers, consumers as well as other governments to reach these objectives.

By giving responsibility for the consumer affairs policy to the Department of Industry, we will ensure that consumers have a say in the development of policies influencing our marketplace. Efficient market operation is essential to economic renewal, and will benefit consumers as much as businesses. The Department of Industry Act sets up an integrated process in which consumers' concerns will be addressed as early as possible in the policy development process.

Efforts to protect consumers can thus be focused on preventing problems, rather than on solving them after the fact. In areas of vital interest for all Canadians, such as biotechnology and genetic engineering, the Labelling Act, and the regulation reform, our action will be based on consumers' interests. The co-operation of the Consumers' Association of Canada in many initiatives reflects consumer representation in the policy development process.

Let me mention, among others, the consultative committee on the information highway, the drafting of a new privacy protection code, the discussions between the federal government, the provinces and the industry on a code of practice for electronic funds transfer, as well as a pilot project to set up an alternative to dispute resolution, so as to allow consumers easier access to small claims court.

Those departmental initiatives are well underway, as shown by recent announcements made. As you know, the action plan unveiled by the Prime Minister to create an innovative economy, is consistent with our guiding principle. The Minister of Industry will soon announce the details of that important initiative. You are also well aware that Industry Canada participates actively in various program and policy reviews which will help us fulfill our mandate under the law.

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Here are a few examples of our activities. We have finally made real progress regarding the domestic trade issue. Indeed, the Minister of Industry recently had the pleasure and the honour of contributing to the signing of an agreement between the provinces, the territories and the federal government on the first measures to eliminate the obstacles to domestic trade which have been created in our country over the last 127 years.

(1745)

The agreement on domestic trade signed by the first ministers on June 28 is a good thing for all Canadians. Obstacles to domestic trade cost Canadians up to \$7 billion a year. Having the goal of allowing for freer movement of individuals, goods, services and capital, this agreement provides for the elimination of trade barriers by July 1995.

The agreement sets general rules prohibiting the implementation of any new obstacles and abolishing existing barriers in ten areas, including transportation, government contracts, investment and workforce mobility. The agreement provides for another very important feature, a dispute settlement mechanism for these areas. Obviously, there is still much to be done. However, some of the provisions in this agreement will help us make more progress. The kind of co-operation we got in preparing the agreement allows us to hope for free movement of goods, services and workforce in Canada within a true economic union.

[English]

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, it has been a very interesting morning and afternoon in the House as this debate unfolded.

I am moved to ask rhetorically one question. What is it about getting elected that makes politicians venture capitalists? Is there some magic laying on of hands or something that we go through that I missed, that all of a sudden somehow we have the right to extract tax dollars out of the hides of people who are barely getting by earning \$8 or \$10 a hour, take it into government and then regurgitate about 20 cents to give it to somebody to go into competition with the people who gave us the money in the first place?

What is it about getting elected that gives us the wherewithal to start taking money from individuals and giving it to other individuals or giving it, worse, to corporations?

Mr. Mills (Broadview—Greenwood): How did you get elected?

Mr. McClelland: By saying that we are going to put a stop to this foolishness. We got elected by saying we have had enough of that. People in Alberta have learned that you cannot get yourself elected by continuing to spend other taxpayers' money

like it was someone else's. We have to start treating this money like it is our own.

I will give three reasons why we should not be in this business, MagCan, NovAtel and Gainers. We have no business being in business.

How did we get here? It is 1994. Here we are sitting in the Parliament of Canada. Many of us are sitting here because the last government imploded upon itself—Kim Campbell. How did we get into this reorganization in the first place? I guess that is the first question we have to ask ourselves. How did we get here in the first place to do this reorganization?

We got here because Kim Campbell noticed that there were a few bumps on the road ahead and she figured that perhaps one of the things that she could do is reduce the size of government, reduce the size of the cabinet which had grown to 40 or so members.

It makes sense, right? It does not make sense if you do it for the wrong reasons. It should have been done for the policy reason, not because they wanted to get elected, not for political reasons, but because it was the right thing to do.

Most people realize that before you make substantive organizational change you would do a review to make sure that you are making the change in the correct way and going at it carefully.

What did we do? The Liberal government inherited Kim Campbell's last gasp to get herself elected. It then had the opportunity and, recognizing the wisdom of downsizing government which was definitely a step in the right direction, carried forward and added to it.

(1750)

Let me quote from *Organizing to Govern*. This is a book written by Gordon Osbaldeston and most people in this House would certainly recognize that name. For the benefit of people watching, Gordon Osbaldeston had a distinguished career in the Canadian public service. He has held posts in the foreign trade commission service and was a deputy minister in the Department of Consumer and Corporate Affairs and the Department of Industry, Trade and Commerce.

He was secretary to the Treasury Board, Minister of State for Economic Development, under–secretary of state, Department of External Affairs, Clerk of the Privy Council, on and on—35 years of distinguished service to our country.

He wrote a book called Organizing to Govern.

I heard him being interviewed on the news the other day and it was interesting because the radio interviewer said if he was a proponent of radically downsizing government and retracting the tentacles of government from the daily life of Canadian business, how is it that he for the best part of his life was

involved in the expansion of the government's role in everybody's business.

His response was that as we age we sometimes learn something and he hoped he had learned something over his long career in the public service.

In any event, rule number one in organizing and governing, three rules to live by, is resist proposals to reorganize unless you are certain the benefits of the proposed change outweigh the costs. He goes on to say organizing is not as free lunch, adding new organizations or ministerial portfolios adds complexity and reorganizing existing ones causes disruption. Neither of these costs should be taken lightly. At minimum it can take three years to implement a major organizational change and in many cases five years.

Our public servants, all 6,000 involved in this reorganization just in industry, and all of the public servants all over the country deserve some kind of a medal for the chaos they have had to live in and endure over these last 20 or so years.

If we believe Mr. Osbaldeston to be accurate, and there is no reason to think we should not, look what has happened in the Department of Industry, Trade and Commerce since 1892 when the then Minister of Industry, Trade and Commerce, Mackenzie Bowell, went to Australia and drummed up business for the CPR. We are still doing it. We started in 1892.

In any event remember, according to Mr. Osbaldeston, it takes at least three to five years to be able to accommodate change and so here we have industry trade and commerce from 1892 to 1969—virtually nothing. They probably ran the thing out of a reasonably small room. Then it started to grow.

In 1963 it changed; 1965, 1968, 1969, 1971, 1978, 1983, 1983 again, and then we started adding to it and adding to it. What happened was that all of a sudden after the war C.D. Howe really ran the whole government from his position in the Department of Defence Production. He became the Minister of Industry, Trade and Commerce and a very powerful figure in government.

Through his seat of power it started to expand the department of industry. The department of industry did not become obtrusive and get its tentacles into everything. For those of you in business who have a daily relationship with Statistics Canada you know exactly what I am talking about when we talk about intrusive.

Walter Gordon became the minister and I am going to quote again from the book *Organizing to Govern* by Gordon Osbaldeston: "Since their defeat in 1957 the Liberal Party have been honing ideas for the next election campaign. One individual who played a key role in ensuring that a new department of industry was part of the Liberal platform was Walter Gordon".

If it sounds like déja vu, it is déja vu. Someone lifted the red book over there and there it was all over again—how are we going to go about getting elected? We are going to hone the Department of Industry. We are going to get more intrusive. We are going to make sure that we can say, let us get on with it.

(1755)

I am quoting again: "Gordon lead a royal commission appointed in 1955 to look at the economy. Few of the commission's recommendations were adopted by the St. Laurent government. When Lester B. Pearson became the new party leader, Gordon's ideas came to the fore and in a party that was looking for new ideas and keen on economic reform he found fertile ground. He had long been a friend of Pearson and now he became a trusted adviser".

It is really interesting to see how we got to where we are today. Nobody really planned it. It just sort of happened. All of a sudden we have \$3 billion a year going through the Department of Industry, with that department's civil servants, bureaucrats and politicians picking winners and losers in the marketplace.

I will get back to my quotation: "The reason the Department of Industry was created was because Walter Gordon wanted one and he had the personal influence with Pearson and those close to him to ensure that he got it. But why did he want it? What pushed Gordon's thinking to a new department? Undoubtedly Gordon's overriding motivation was his personal philosophy regarding government and industry. When his royal commission reported in 1957 it described severe problems with foreign investment in Canada and an associated weakness in the Canadian industrial sector.

A senior official who worked closely with Gordon on the royal commission described Gordon's views as follows: "The whole idea of a separate governmental entity to concern itself with Canadian secondary industry really was inspired by Walter Gordon. He was an interventionist, a bit of a nationalist with a protectionist kind of mentality".

Is this not the same Liberal government opposite that signed the NAFTA? I will quote again: "His protectionism took the form of using—" Listen to this. This will send chills down the back of everyone here. You people in television land may want to turn your TV sets off, folks. You are not going to like what you hear.

"His protectionism took the form of using government power, government funds, government leverage and pushing these things in one direction rather than another. Almost all of it had protectionist overtones, albeit in the form of subsidies rather than higher tariffs". Where has that put us today?

Mr. Abbott: That is where the debt came from.

Mr. McClelland: It is a clue. The question is, where did the debt come from? We have a clue here. We are narrowing in on

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how we got a debt of \$500 billion and how we are going into the hole. This year alone the debate is \$40 billion and \$110 million every single day.

It is debt we are putting on to our children, our grandchildren and their children. Their standard of living is not going to be nearly as good as ours because we have been living beyond our means. It is immoral. It is not right. Our generation has to take responsibility for that debt.

One of the things we have to do is recognize the window of opportunity, change and get our economy back on track, get the government back on track doing what government should do.

An hon. member: What should government do?

Mr. McClelland: That raises the question. What should government do and what should the real role of government be in a free economy? I would submit that it is a whole lot less than we are doing today.

Let me give an example of the extension of what we started with all the good ideas of Walter Gordon. They were well meaning. He certainly did not get up the morning and say: "How can I wreck the country? Do you know what I would really like to do? I would really like to make sure my great grandchildren cannot afford to buy a car". C.D. Howe did not say: "We beat the Germans but we are sure going to destroy our future generations". It just sort of happened but look what it has led to. Transfer payments in the Department of Industry. Contributions under technology for environmental solutions initiative, \$10 million; contributions to defence industry productivity programs, \$158 million; contributions to Bombardier de Havilland.

(1800)

It should not be called the department of industry; it should be called the department of grants to Bombardier, de Havilland and SNC-Lavalin.

Here is another one. It is over a number of years. It is \$143,682,285. It is a 1994–95 disbursement forecast for contracts signed with SNC–Lavalin and subsidiaries for geographic programs all over the world. The \$143 million is subsidized by little people earning 8, 10 or 12 bucks an hour.

David Lewis, a member of the New Democratic Party in this House, Stephen's father, coined the phrase corporate welfare bums. It is true there are corporate welfare bums. We have to wean corporations away from the public trough. If we are stupid enough to make it available they are going to be smart enough to take it because it is their tax money as well.

What do we do? It is fairly simple, fairly straightforward. We pay attention to what is going on in Alberta. There is no point in going through the trials and tribulations of what is going on in Alberta and not learning from it. The very least we can do is

learn from what is going on in Alberta and carry that forward to the whole country.

Government must reduce its intrusion into the marketplace and get back to basics. Our job is to look after the infrastructure of the country that cannot be looked after other than through the national government. Above all, we should have in the department of industry some kind of overriding mission statement so that we can look at it every day and ask whether what we intend to do or are trying to do fits with what our plan should be. Do we have a goal? Do we have even clue one about where we want to be at the end of the day? The first thing we need is a mission statement.

I submit this might be a place to start to establish and maintain a culture which rewards entrepreneurship, innovation and research and which ensures a level, honest, competitive marketplace. Nothing more, nothing less.

Business people in Canada do not want a free handout from the government, but if we are stupid enough to give it to them they are going to be smart enough to take it. It is up to us to say no.

Therefore I would like to move a subamendment to the Bloc amendment. I move:

That the amendment be amended by striking out the word "Quebec's" and substituting the following therefor "each province's" and by deleting the word "regional".

The Deputy Speaker: I understand the subamendment of the hon. member for Edmonton Southwest was seconded by the hon. member for Okanagan Centre.

The subamendment has already been submitted to the Clerk and has been found to be acceptable.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, the member for Edmonton Southwest talked specifically about the grants that were processed through the department of industry and mentioned a few names. Most Canadians would realize that even though three or four names were mentioned, thousands of small and medium sized businesses across the country benefit from support from Industry Canada.

I have a question for the member. He seems to have the point of view that the notion of grants should be phased out or eliminated. In the tax act of Canada there are tax expenditures in the billions of dollars to the oil and gas sector of the country that are the same as tax grants. Is the member suggesting that all tax grants in the tax act of Canada be abolished?

(1805)

Mr. McClelland: Mr. Speaker, I thank my hon. colleague for his very salient question. We cannot have one rule for one and a different rule for everybody else. Then we would be hypocrites. We must have one rule for everyone.

It is interesting we use the term grants which presupposes that it is our money. If I have \$10 and I want to give it to one of my kids, that is a grant; but if I am taking somebody else's money and giving it to someone else, that is a loan.

I will answer the member's question directly. I think we should have a flat tax, yes. Without question we cannot have one set of rules, for example, on depletion allowances and all the rest of it. Income earned is income earned and we pay tax on it. Tax points and tax credits are exactly the same as cash that does not come in.

Mr. Mills (Broadview—Greenwood): You would abolish all tax credits.

Mr. McClelland: Every one of them.

An hon. member: Right after you gave back the \$70 billion you took under the NEP.

[Translation]

Mr. Yves Rocheleau (Trois–Rivières): Mr. Speaker, since this amendment was proposed by the opposition, I would like to know, for the benefit of the Official Opposition, what the hon. member for Edmonton means by the terms "each province" and by the word "regional". What do these two terms mean to him?

[English]

Mr. McClelland: Mr. Speaker, as I understand the principle of the amendment, what is good for the goose is good for the gander. We are talking about the country as a whole, not just about Quebec. If it makes sense for Quebec it makes sense for everyone.

Mr. Morris Bodnar (Saskatoon—Dundurn): Mr. Speaker, the hon. member's speech was very eloquent and very interesting. He indicated the requirement that all grants be reduced or eliminated to all businesses, et cetera. If all such moneys are eliminated I take it there would be an elimination of moneys and benefits to everyone, not just corporations across the board.

Could the hon. member indicate whether the elimination of benefits to corporations are any different from the elimination of tax benefits such as RRSPs to individuals?

Mr. McClelland: Yes, of course they are. They are entirely different. When we talk about eliminating grants to businesses which artificially change the marketplace and allow the government in its wisdom or lack thereof to pick winners and losers, it is entirely different from our fiduciary responsibility as citizens to look after those who are not able to look after themselves. We are talking about individuals who need help, not corporations that want help.

[Translation]

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle): Mr. Speaker, I have a question for the hon. member for Edmonton Southwest. Given his proposal, how does he intend to reestablish a balance between rich areas and underprivileged areas

with high unemployment if the government does not do anything?

[English]

Mr. McClelland: Mr. Speaker, if the solution implied in my hon. colleague's question is that regional economic expansion is key to preventing and eliminating regional disparity in the country or in any other country, for that matter, I would send the question back by saying that we have been sending scads of money to depressed areas of the country for years. Has it changed anything? I submit it has not.

I would also submit there is a situation that parallels the one we are talking about between the northern and the southern states of the United States.

(1810)

The fastest growing economic area in North America today is the southern states. For years they were depressed. Gradually over time their economies were such that their labour rates and the cost of housing were lower. They had a highly motivated workforce and businesses started to invest in that area. Now it is booming.

If trying to eliminate disparities in Canada by taking money from a wealthier area and transmitting it through business to a less favoured area works, we would not have a problem today. However we do. The statistics quoted by my hon. colleague from Yellowhead indicated that nothing has changed after years of sending money to these various areas through ACOA, FORD–Q, DREE and all such things.

We are in exactly the same situation except we are in the hole by \$500 billion. Even if we wanted to, we cannot afford it any more. We are creating and perpetuating dependency. We have to look for new solutions.

[Translation]

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General): Mr. Speaker, I join many of my colleagues on this side of the House in supporting the establishment of a Department of Industry and I hope that this support will be unanimous. This new department will give Canada and Canadians the new tools they need to help them create jobs and build a more secure future.

However, before we go any further, I think that we have to take into consideration the history of our country. We can always think of the first settlers who were supported by the church or by people who were put there to help them develop an area—in my case it was the Gaspé Peninsula—and that is how Quebec and Canada were built.

There is always some degree of co-operation between the various elements of our society in any area, whether it be industry, education or, of course, the public service. But since

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then, since the 17th and 18th centuries, there was Confederation in 1867 and the National Policy was established under Sir John A. Macdonald. It was a very ambitious plan. It all started with the construction of the railway better known today as CN and VIA Rail. This great project to link our country from east to west did not go unnoticed in other parts of the world.

It was undertaken to give some impetus to the Canadian economy, but it could not have been done without the support of governments, without money being spent on the construction of this trans—Canada railway. Indeed, if we look at the debates held in 1867 in this House, we will see that there have always been critics of this avant—garde vision of the federal government at that time. But by developing the railway, that government believed that it was giving itself the means to develop this country. The resources were developed afterwards; then, thanks to the railway, Western Canada was populated, as well as Ontario and part of Quebec. Links were made between these new provinces, and this marked the beginning of the Canadian federation.

This is a primary example of a massive intervention by the federal government, but in consultation and co-operation with business interests and also with provincial governments.

(1815)

Then came the first world war. Once again we found some unanimity, a will to fight for our rights, for our country, but still in a spirit of generalized co-operation. The same thing happened at the time of the Second World War when, over a period of five or six years, our industry, with government support, went from a third-rate position to making Canada the third or fourth greatest economic power of the time.

As you know, before 1945, before the war, over 45 per cent of the Canadian population was rural. After the war years, Canada became an industrial power. We went through an urbanization phase with people leaving rural areas to settle in the city. After the war and initiatives like the Victory Loan Bonds to raise money, the government took the same approach. After six years of substantial interest rates, Canadians were able to invest in their country's own economy because they had faith in it. They bought into Canada.

In 1945, 1946, and 1947, we were in a position to implement a demilitarization policy to foster an economy based on consumer spending. We became a consumer society, but that did not happen without the help, involvement and commitment of the federal government.

My colleague opposite mentioned C. D. Howe, who master—minded Canadian industrial development in those years, and Walter Gordon. They were men of vision who laid the foundation of the Canadian society as we know it. Those developments should be seen in their historical context so we can better

explain the goal of the present government in revitalizing the Canadian industry as we enter the next century.

The 1950s came. You know that those years are often called the dark ages in Quebec. The province was ruled by the Union nationale, under Duplessis. Quebec was undergoing changes, but changes similar to those outside Canada.

We then had the Quiet Revolution which, obviously, met many Quebecers' aspirations. We should never forget that the Quiet Revolution took place under a Liberal government, within the Canadian context and the Canadian federation. We were able to show Quebecers that federalism is a flexible and generous system which fulfils the deep—rooted aspirations of all Canadians.

During the 1960s, new schools were built. University education was popularized and made accessible to all Quebecers. Of course, we must not forget that education—as is the case today—was financed in large part by the federal government. Never did the federal government dare intervene in this quiet revolution, never did the federal government dare hinder the material progress, the economic progress of all Quebecers. This fact must be recognized.

In the late 1960s, more specifically in 1966, the people elected another Union Nationale government which claimed that the premier of the day, Jean Lesage, went too fast for Quebec. We must not forget either that Jean Lesage served as a minister in the federal government in the 1950s. Surely, he must have borrowed some ideas and solutions from his colleagues from Ontario and the Maritimes. I believe we must recognize—and I think that many researchers and specialists interested in Jean Lesage do recognize—that Jean Lesage's tenure in Ottawa served him well in developing Quebec as we know it today.

(1820)

That being said, more progress was made in the 1970s. In those days, we believed more and more in the welfare state. It is not a concept exclusive to Quebec or Canada, but a concept also known in Germany, Scandinavia, France and even England. The purpose of the welfare state is to make sure that everybody's interests, not only the interests of financiers, or people from Montreal and Quebec City, are taken into account.

Mr. Rocheleau: Mr. Speaker, on a point of order please. We are supposed to be talking to Bill C-46, the Act to establish the Department of Industry, tabled pursuant to decisions made in 91–92 by Mrs. Campbell, former Prime Minister of Canada.

Instead we are being given a history lecture which goes back to the Jesuits, the Quiet Revolution and the Plains of Abraham. We will talk about that during the upcoming referendum campaign. Then we will give classes in Canadian history. But for now, we should be talking about this Department of Industry Act

and the member for Bonaventure—îles-de-la-Madeleine is completely off the subject.

The Deputy Speaker: I want to thank the member. He is right, according to Standing Orders, comments should be related to the matter at hand. As the member, I fail to see the relevance of the comments. However, since my nomination here, I have noticed that few people abide by that rule.

Therefore, the parliamentary secretary has the floor once again.

Mr. Gagnon: As a Quebecer, as a younger member, Mr. Speaker—

Mr. Rocheleau: On a point of order, Mr. Speaker. If he wants to go on with the lecture, I hope the member for Bonaventure—Îles-de-la-Madeleine will not forget the October Crisis.

Mr. Gagnon: Mr. Speaker, I am very pleased to deal with that issue. I find it unfortunate that we often have weird—minded historians. In order to understand today's society—and I challenge the Bloc Quebecois on this—we must fully understand its history, we must be very clear on our intentions to explain history, because it is through history that we can explain to the people the situation as we know it today. Nobody can disagree with me on some historical issues that I have raised, and I want to say this to you: Ask Europeans, Asians, Americans, and they will all tell you that Canada is a resounding success.

French Canadians were able to overcome their difficulties when they first arrived in New France and established their own community. These French Canadians became part of the larger Canadian family, thanks to newcomers, Eastern Europeans, English–speaking people, even people from the United States, from Europe, Asian people who are coming to this country, because they are well aware that Canada is a country of freedom, of progress, a good place to live.

That is why I demand that we take into account the historical value of industry, but also the history of Canada, which somewhat explains this bill and the objective of this government.

Of course, industry is important. We are entering the 21st century and I believe that we must prepare ourselves accordingly. But instead of telling you about history, I will tell you about global reality. I know that it is an issue which deeply concerns members of the opposition parties.

The Prime Minister of Canada is setting up Team Canada. We had a hockey team called Team Canada and we were very successful. Now, we are going to have an industrial and economic Team Canada whose mandate will be to create new markets for all Canadians. Besides, as you know, we even asked the newly elected Premier of Quebec, Mr. Parizeau, to be part of the team, because what we are trying to do is make sure we get the contracts and ensure sustainable economic development for all Canadians. This is what we must kept in mind.

(1825)

Again, why China, why go to China, why are Canadians so welcome in China? I want to know. I bet that some of you never heard of Dr. Bethune, a Montrealer, a Quebecer who did a lot for China during the 1949 revolution. It is because we have built ties with that country as with others.

By creating this department, we are saying that there are changes, that we are increasingly recognizing that 80 percent of the jobs today are created by small businesses. We know that we have invested in megaprojects in the past, at both the federal and provincial levels. This was a joint endeavour. Quebec invested in James Bay. In Montreal, there were substantial municipal investments in the Metro. There were also large investments in regional economic development, but I will come back to that.

We must recognize that industrial development requires close co-operation between governments and companies in order to make Canadians more competitive on the eve of the 21st century. As you know, Canadians, Quebecers, the Western World in general, are faced with extremely strong, well organized competition. Look at the seven small tigers. Who had heard of Singapore ten years ago? Who would have thought twenty years ago that South Korea would rise to the point it is now? Who talked about Taiwan? Who would have imagined China as a competitor? Who could have predicted the fall of the Berlin wall?

We have lived through tremendous changes these past few years. Free enterprise won over the tyrannic powers of the world without a fight. Changes are occurring and I believe that this reorganization of Industry Canada will take them into account. Although the opposition was saying that we were still in the 1960s, I believe they are sticking to a nationalistic view which, in my opinion, does not represent the real aspirations of Quebecers and Canadians who want jobs.

With the new Department of Industry and the help of new technologies, we will be able to steer small businesses towards new markets. Our advantage is that Canada is a well–known entity. When you go to your banker to ask for a loan, he wants to know your past history, he wants to know if you have a good credit rating. Do you have any business experience? Do you have any experience in your present field of endeavour? Do you have resources—In any case, I am grateful to the members of the opposition for talking a little bit about the natural resources of this country. It is important for investors, it is important to realize that Canada possesses not only natural resources but also a qualified population to meet challenges.

The basic role of Industry Canada is to bring together those various participants of the federal government and to improve planning.

Adjournment Debate

As you know—I realize, Mr. Speaker, that I only have one minute left although I could have spoken for half an hour—history is important in order to better explain to the opposition and enlighten it on the real issues that all Canadians expect to come to the fore: job creation, close co-operation, and not the upheaval or modification of a well-known system.

There will be a referendum in Quebec and I can assure you federalism will not be put on trial. It will be our task to explain to you, loud and clear, the essence of federalism as we all know it today.

ADJOURNMENT PROCEEDINGS

(1830)

[Translation]

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

IMMIGRATION

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, I have often mentioned in the House the dramatic situation in Rwanda. Among other things I asked the government to help the thousands of Rwandan refugees. On June 13, I asked the Parliamentary Secretary to the Minister of Citizenship and Immigration a question concerning the case of Léon Mugesera, a Rwandan national who came to Canada in 1993 and who some believe is responsible for slaughters that have taken place in Rwanda. The Quebec association of Rwandan immigrants has made very serious allegations to this effect.

The parliamentary secretary told me that Immigration Canada was conducting an investigation into this case. I hope the investigation results will be made public today.

[English]

The situation is still extremely difficult in Rwanda. The UN High Commissioner for Refugees has denounced the massacres perpetrated by the Rwandan Patriotic Army. These massacres have resulted in the deaths and maimings of thousands of Rwandans. The refugee camps in Ngara, Tanzania are full of Rwandans. Half a million Rwandans have been massacred. Over two million Rwandans are refugees in Zaire, Uganda and Burundi. Unfortunately the genocide of the Rwandan people is not yet over. Many relatives of the victims live in Canada.

Through humanitarian action Canada has tried to do its part. However concerning the level of acceptance of Rwandan refugees into Canada, the actions of the Canadian government are still very insufficient. Only 96 refugee status claims have been referred between January 1 and June 30, 1994 of which the majority, 63, have been in Quebec. However the majority of the accepted cases were students who had already been in Canada.

Adjournment Debate

There is no special program to receive Rwandan refugees, as was the case for the former Yugoslavia and for other countries. Our country must be more generous with regard to the Rwandan victims and those being persecuted. A lot of criticism has been expressed regarding the embassy at Nairobi; many Rwandan refugees are not even able to put forward a visa application there.

[Translation]

I wish to thank the Canadian NGOs for their excellent job in helping the people of Rwanda, including the following organizations from Quebec: YMCA, Oxfam Québec, Catholic Organization for Development and Peace, as well as several religious communities, particularly the Jesuits. I also want to underline the great job done by the four organizations—Proveda, Oxfam, CECI and Amitié Rwanda—Canada—which created Urgence Canada—Rwanda and contributed generously to the more than four million dollars in humanitarian aid collected in Québec.

Development and Peace alone already collected \$1,800,000 to finance emergency relief programs. From now on, the government of Canada, particularly through CIDA, and the NGOs should direct their efforts to encouraging the safe return of the refugees who presently live in inhumane conditions in neighbouring countries. They should encourage national reconciliation programs in Rwanda and give strong support to the democratization process in that country devastated by civil war.

I want to reiterate my solidarity with the people and the victims of the tragedy in Rwanda.

[English]

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Mr. Speaker, I would like to

thank the hon. member for his comments and give a very brief response, as the member's statement did not relate specifically to the question he had asked at the time.

As we all know, the situation in Rwanda has been in turmoil for months. The world watched horrified as thousands were butchered, most of them Tutsis targeted by Hutu rivals. Now there are reports of Hutus being tracked down by vengeful Tutsis. In such a situation it is obviously very, very difficult to operate under the normal conditions of the immigration and refugee process. There is no question that Canada is deeply concerned.

The hon. member asks us to see the peaceful relocation or return to their homes of those who are in neighbouring countries. That may or may not as yet be possible because of the turmoil and difficulties. As he says, a great many of the refugees or those who would be refugees to Canada are not able to get to the Canadian offices in Zaire or neighbouring countries. There is the problem that there are dangers for Canadian personnel as well

The situation is extremely tumultuous. The minister and the government are looking at it very closely. We are very aware of our humanitarian duties and will carry them out as best we can.

[Translation]

The Deputy Speaker: Pursuant to Standing Order 38(5), the motion to adjourn is now deemed to have been adopted. This House stand adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.36 p.m.)

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