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Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

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The House met at 11 a.m.

Prayers

PRIVATE MEMBERS' BUSINESS

[*English*]

STUDENT LOANS

The House resumed from October 21 consideration of the motion and of the amendment.

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, I am pleased to be able to join in the debate this morning on the important subject of Canada's post–secondary education system. I commend the leader of the Reform Party for having taken the initiative to place the issue of federal support for our colleges and universities on the parliamentary agenda, as he did last spring, and for his suggestions regarding the concept of income contingent repayment or ICR of student loans.

I believe this debate is helping members of the House gain insights into the importance of higher education to our country's future and how the federal government can work with the provinces to assist our colleges and universities. Since this motion was introduced last spring, however, there have been several important developments.

First, the government moved the new Canada Student Financial Assistance Act, which is known as Bill C–28, through Parliament to receive royal assent. The new legislation, which provides the framework for reforming the Canada student loans program, will be proclaimed in 1995. The new act provides the flexibility to implement the ICR pilot projects with interested provinces. This possibility is being pursued as a means of learning more about how an ICR scheme might be designed to meet Canadian conditions.

The government has moved quickly to implement its students' assistance reforms by increasing assistance for those students who need it the most. In August of this year the full time Canada student loan limit was increased from $105 per week to $165 per week and the limit on part time loans was raised from $2,500 to $4,000.

Over the next five years the changes already announced to our existing student assistance program will provide $6 billion in loans, which is over $2 billion more than during the last five years. The reforms include not only higher loan limits but special grants for students with disabilities, part time students and women in certain fields of study at the PhD level.

In addition to the reforms already under way in the area of student assistance, the government has demonstrated its keen interest in the future of post–secondary education by informing Canadians about federal assistance to the post–secondary system and putting forward an innovative approach for discussion.

The social security green paper provides two options for the future of established programs financing arrangements for post–secondary education. Under the first, total transfers would be frozen at the 1993–94 level starting in 1996–97. The result would be that as the tax portion of the transfer grows with the economy, the cash transfers will decline correspondingly, disappearing altogether within about ten years' time.

On the other hand, if we have an opportunity, we could transfer the declining cash into a sustainable system of loans and grants. These new loans could be based on the concept of income contingent repayment. For those who enjoy relatively high income after their studies, the rate of repayment would be rapid. Those who experience periods of low income would repay only when they were in a position to do so. The repayment would adjust automatically to income, thus reflecting the ability to pay rather than the amount borrowed. Those of us in riding offices know a lot about that.

We are discussing this concept with interest groups and provinces, examining how such a system might work in Canada. The government is guided by the principle of equality and at the same time the belief that those who benefit from post–secondary education have a responsibility to pay a fair share of the costs of their education.

We believe that every Canadian has the right to an equal opportunity in the workplace and in the classroom, consistent with the ability to do the job or handle the course work. At the same time, government resources are very limited and must be directed to those who need help to help themselves. It is true that students are often needy while they are in post–secondary

education, but thereafter their employment prospects and incomes usually improve dramatically. On average, post–secondary graduates earn 40 per cent more than the general workforce over their careers.

Once graduates begin to reap the benefits of higher education it seems reasonable that they should pay back part of the costs which society has invested in them. We are proposing that students take on a greater share of the costs of their education. We are asking them to invest in themselves. This is the option we want to discuss with Canadians.

The potential advantages of income contingent repayment or ICR have been widely discussed in recent years and several countries, including Australia and New Zealand, have moved to introduce ICR schemes. Clearly, in making his original motion, the hon. member concluded that ICR could be an important tool in assisting students in financing their education.

An ICR loan program would be fairer and less risky for students. Payments would be geared to income. If a year's earnings fell below a certain level, repayment of the loan could be suspended.

(1110)

ICR has the potential of making loans available to all students without the means testing used in current student loans programs. If the government was not paying the interest on the loans while the students were still in school, there would be no need to limit eligibility.

The ICR concept, as it could apply, is currently being explored. The specific design would have to be tailored to reflect the Canadian environment. The government is undertaking work in this area in consultation with various student and other interest groups and will involve the provinces fully in such consultations.

We believe that ICR loans have a role to play in helping to maintain a high quality system of post–secondary education through the provision of a sustainable source of funding.

As I have indicated, the discussion paper on social security reform suggests a new approach to how the federal government might transform its decline in cash transfers into a sustainable system of income contingent loans and grants. This represents an innovative approach to dealing with the challenges ahead. The idea is receiving considerable support and the option deserves consideration.

To successfully face the challenges of the future, Canada needs well–educated young people and citizens who will continue to learn throughout their lives. The government is seeking ways to help Canadians achieve their learning goals through improved access to higher education.

As part of our social security reforms, we must enable Canadians to develop the tools they need to become productive and self–sufficient members of society. Our objectives must remain consistent with the Canadian value of fairness and generosity to those in difficulty while recognizing that governments have limited resources. Quite simply, we must help people to help themselves.

The government is listening to Canadians. We have put post–secondary education high on our list of priorities through reforms to the existing student assistance program and proposals in the social security reform paper.

The standing committee has already started its consultations from coast to coast and many members are conducting forums on social security reform in their own constituencies.

We look forward to hearing from Canadians in all walks of life.

[*Translation*]

Mr. Philippe Paré (Louis–Hébert, BQ): Mr. Speaker, as someone who has spent the best years of his professional career working as a teacher, guidance counsellor and school principal at the secondary level, I welcome this opportunity to take part in the debate on motion M–291, introduced by the Reform Party. The purpose of this motion is, basically, to amend the Canada Student Financial Assistance Act to include a loan repayment system that would take into account the employment income of students after they have finished their education.

At first glance, we might think this measure would be to the students' advantage. It seems reasonable to adjust the terms of repayment to the income of the person who contracted the loan. However, when we look at what the Reform Party has in mind with this motion, our support for this proposal quickly disappears as it becomes clear there is no benefit in this for students. The objective is clear:

> reduce the cost to taxpayers of financing post–secondary education by reducing the number and dollar amounts of loans defaulted upon, by charging accumulated interest, rather than simple interest on default loans, and by reducing the number and dollar amounts of collection fees for defaulted loans.

The Reform Party's first objective seems to be based on the false premise that former students do not repay their loans because they do not feel like it. There is a tendency here to forget the economic problems facing young people today. Even for those with a university degree, the unemployment rate is close to 15 per cent. And there is also the troubling fact that many university and college graduates are underemployed and, as a result, underpaid.

In addition to the Reform Party's failure to realize that such situations exist, it is clear that if we want to reduce the cost of education for the taxpayer, someone will have to pick up the slack and pay the bill, and obviously, that onus will now be on the students.

(1115)

This point of view is short–sighted on several accounts. First, it ignores the social situation of a great number of students. Second, it does not take into account the significant changes in lifestyle of every class of society. Today's students are the product of what is known as the consumer society which, as a social model, constitutes the basis of our western economies. How could we confine our young people to a ghetto and believe that they will take part in mass consumption only when they graduate?

A recent survey conducted in Quebec shows that high school students spend one billion dollars a year. This means that half the students in their last year of high school are working part–time. Nobody will deny the impact of this new reality on school results, but we must accommodate these new needs. We created them from scratch and ubiquitous advertising fuels them.

Transferring greater financial responsibilities to post–secondary students will only increase the tendency of students to go to school and hold a paid job at the same time. Faced with increased tuition fees resulting from the government's so–called social program reform, and the Reform Party's intentions, as described in motion M–291, students will react quite normally by trying to increase the number of hours they spend on the labour market, in order to limit as much as possible the need to borrow money. The consequences will be disastrous: time spent studying will diminish, the failure rate will go up, courses and even whole years will have to be repeated, resulting in increased costs for the governments subsidizing education. Basically, it is a vicious circle.

Transferring heavier financial responsibilities to students in such a manner is short–sighted for another reason. It ignores the fact that with the globalization of the economy, the quality of human resources is the key to competitiveness. It is by taking advantage of knowledge, research and development that Canadian and Quebec businesses will be able to penetrate a trade arena with no borders and maybe no rules.

Any increase in the financial burden of post–secondary students flies in the face of this universal reality. Instead of limiting access to higher education, as the Liberals and the Reformers are planning to do, we should do the exact opposite. That is a major reason for not supporting Motion M–291, a motion which, by its objectives, is anachronistic.

The third objective of the Reform motion also reveals the fallacious nature of their project. It reads as follows: ''ensure that post–secondary institutions in Canada receive the funding necessary to maintain the high quality of services they presently provide''.

This is not very subtle! This objective acknowledges that students, by bearing a larger part of the cost of their education, will contribute to generate resources for universities and colleges. Moving in that direction is refusing to recognize that knowledge and know–how are the keys to any modern economy. In this regard we should stress the vision of the Quebec Premier who announced last week, in his speech from the Throne, that he was freezing university tuition fees and removing the failure tax at college level. This is the direction to follow if we want to be able to compete with our trading partners under NAFTA and the Uruguay Round.

We sense that the government as well as Reformers are doing their best to gradually withdraw from the area of education. We, of the Bloc Quebecois, believe that the federal government must withdraw entirely from that area of provincial jurisdiction, an area that it invaded not to serve the interests of the people, but to enslave, to dominate and to impose its national standards on the provinces. By withdrawing from that field, the federal government could transfer tax points to the provinces. They would then be in a better position to deliver to their people education services geared to their needs and realities.

(1120)

In so doing, the federal government would go beyond speeches and do something concrete to reduce the duplication of services delivered by both levels of government. However, to act in that direction would require great discernment and common sense.

These ingredients do not seem to be on sale in the federalist supermarket. To conclude, I urge all members who still care about the future to vote against motion M–291, a dangerous and anachronistic motion because of the objectives its seeks to achieve.

[*English*]

Mrs. Daphne Jennings (Mission—Coquitlam, Ref.): Mr. Speaker, I am pleased to rise today to lead this debate for my party.

This motion is about Canada's future. It is about the future because it is about education. Education is the key to the future for Canada's young people.

I have spent virtually all my adult life in the teaching profession. Conveying knowledge to our young people was for me a most rewarding vocation. We must ensure the future of our educational system in Canada, and part of that is ensuring that as many students as possible can take part in it.

As literacy critic for my party, I recognize what happens if people do not take advantage of our education system when they are young. If you do not learn to read and write when you are young, you are going to have to learn when you are older through the various literacy programs sponsored by communities across Canada.

Reading and writing are learned either young or old but have to be learned at some point if one wants to become a fully functioning member of society. That is why it is so important

that everyone who wishes has access to education at every level of our school system.

Years ago, back in the 1950s, 1960s and 1970s, I believe we thought we had licked the access problem for education and if we had proceeded with balanced budgets from the 1970s through until today, I suppose we could have been right. However with the advent of budgetary deficits and the recession from which we are desperately trying to emerge, access to education has been called into question.

It has been called into question by two groups, the students and by us, the politicians representing the people of Canada. Students are concerned that through the Canada student loan program they will receive insufficient funds to allow them to attend university without worry.

At the same time because of the repayment scheme attached to these loans, students are concerned they will emerge at the end of their university careers with a huge debt which they are unable to discharge in the amounts and in the time required.

The repayment problem for student loans is alarming. At present one in five borrowers is in default on their student loan. About two–thirds of these eventually repay but only after the federal government assumes the debt from the bank and has launched some form of collection activity.

The other third, about 7 per cent of all student loans, are never repaid and become simply bad debts. In all, we are talking about $1 billion in bad loans, money the treasury may never see.

That is why the Reform Party felt it important to look at the whole scheme of financing again; look at it with a view to making it easier to fund a student's education, making it easier for the student to repay and therefore making it easier on the country's finances because the loans would eventually be repaid, perhaps with lesser amounts, but repaid nevertheless.

Let me explain how the Reform Party's income contingent loan repayment program will work. It is designed to allow students to pay back their student loans over a period of time based on their annual income after leaving university. The concept is funded on two fundamental principles, the full use of the income tax machinery in monitoring and collecting student loans, and the implementation of an income contingency principle whereby students pay back a set percentage of their income.

Upon graduation a student would begin to pay back their student loan. There is no eight–month delay period as there is presently. The repayment of the loan however would link the repayment plan to a student's earnings or ability to pay. Precisely how much a former student pays back would vary from year to year depending on his or her salary level.

A specific amount set as a percentage of income would be paid through the tax system. If a person's income does not reach a specified minimum amount, the payment would be deferred until earnings go up. This repayment system, however, depends on the supply of accurate income statements long after the individual has left the institution of higher education.

Revenue Canada could therefore supply the necessary data automatically and cheaply through income tax statements. This would necessitate the recording of student borrowers with the tax department and the inclusion of social insurance numbers on student loan forms.

With the possession of the full details of most students changing future incomes and geographic locations, the income tax authorities could then act as the primary monitor subsequent to loan collection.

I do not believe the use of SIN numbers in this context should be objected to. The end result of a more equitable loan scheme justifies this requirement.

(1125)

We in the Reform Party like the idea of income contingent loans for three basic reasons, the first being the reduced cost to the taxpayer. Under the current Canada student loans program taxpayers end up footing the bill for defaulted loans. The difference between the simple interest paid by borrowers and the accumulated interest paid by the government and the collection fees charged on defaulted loans is charged to the taxpayer.

Two, there would be greater flexibility and fairness for students under the program. Under the Canada student loan program borrowers and taxpayers are discriminated against and repayment terms are onerous and rigid. The current program discriminates against borrowers in two ways. First, it discriminates against the poor and unemployed by forcing them to pay back their loans at the same rate and at the same level as those who are gainfully employed and who can afford to pay off their loans. Second, the prospective borrowers are discriminated against on the basis of their parents' or partners' income potential through means tests.

This often means that students whose parents are well off are ineligible for student loans even if they receive no assistance from these same parents. Low income taxpayers are especially discriminated against, as they are less apt to send their children to university.

The burden falls especially on those who pay taxes but do not use post–secondary education services. By 1990 two–thirds of the adult population did not possess post–secondary credentials. In other words, under the Canada student loan plan the poor or

those without university education as the case may be have been subsidizing the rich.

The repayment plan is inflexible because it forces former students to begin repaying their loan only eight months after graduation irrespective of their income. The income contingency plan in contrast involves no burden of debt that must be repaid unconditionally. Repayment falls only on the prosperous; that is, upon those persons who graduate and earn income at or above the given level.

Three, the maintenance of high quality educational services. The government is broke. As such both federal and provincial jurisdictions are grappling with the problem of how to finance post–secondary education. The financial pressure on higher education through reduced public funding has been inevitable in an era of growing deficits, high taxation and the increasing competition of health, environment and other lobbies for a greater share of public spending.

As governments contribute less and less funding and costs increase at the same time the quality of education has and will continue to decline. The bottom line is that governments can no longer finance post–secondary education at a declining level and expect the quality of the service to remain constant.

One cannot increase tuition and other fees charged to students without making the cost of a university education more and more prohibitive under the current system. If students were to be permitted to repay their loans on an income contingent basis over a longer period of time if necessary tuition fees as a percentage of the total contribution to post–secondary financing could easily be increased. This would ensure that the quality of educational services would remain strong and that those who benefit most from the system are those who contribute their fair share.

The position taken on this subject by the academic world is heartening. Mr. Clark Lajeunesse, president of the Association of Universities and Colleges of Canada stated the current student loan program is outdated as it does not meet students' needs and it does not meet university needs either.

The income contingent repayment loan is seen by universities as allowing them to maintain accessibility and qualify by making more effective use of tuition fees.

Under the ICR program universities can be more realistic about the cost of the programs that they offer. Some fees might increase for high cost programs while other fees might decrease for low cost programs. While some student groups have expressed concern that such a method of financing education could lead to higher tuition fees, other students and student organizations have expressed support.

The Ontario Undergraduate Student Alliance believes that ICR holds promise for protecting accessibility to and the quality of post–secondary education. The most important matter for this group is not so much that costs may increase marginally but that the education received by students be worth something. The key to the ICR program for this Ontario group is that it is never an unmanageable debt load.

I believe we should now look seriously at changing the method by which university education in Canada is financed, especially the financing available for students. The proposal from the leader of the Reform Party represents a scheme which is fair and equitable to students but is also inexpensive to administer. I would urge all members of the House to support this motion.

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, I am pleased to rise today in response to the member's Motion No. M–291 and make some comments about the financing of post–secondary education using an income contingent repayment plan. I would like to offer some comments on investment in post–secondary education.

(1130)

All of us recognize that the income contingent repayment principle is intended to facilitate investment by individuals in their own future. It therefore offers a way for public policy to foster what the social security reform discussion paper calls mutual responsibility, governments helping people to help themselves.

Canadians collectively make a greater investment in learning than practically anyone else in the world. Few industrialized countries spend more of their gross domestic product on education than we do. No country spends more than the 2.6 per cent of GDP that we spend every year on post–secondary education. This represents $16 billion per year, nearly 80 per cent of which comes from taxpayers through federal and provincial support.

Indeed our public investment in post–secondary education is also the highest in the OECD countries measured in relation to our overall economic activity. The result is some of the best and most accessible post–secondary education in the world.

We have in relative terms more adults with post–secondary qualifications than many other countries and we have more people enrolled at any given time. There are currently nearly one million full time post–secondary students in Canada, about 70 per cent in universities and the rest in colleges and institutes of technology. Because of its shorter duration programs the college level actually produces more graduates than the university sector. Both of course make equally essential contributions to individual opportunity and national development.

In addition to the full time students there are also hundreds of thousands of students enrolled in part time programs. Still more take short courses, specialized training and other learning opportunities. Indeed, one in every four adult Canadians is engaged in a learning activity in any given year, an increase of

about 20 per cent during the last decade. Canadians understand the importance of investing both time and money, public and private, in learning to adapt to new challenges and opportunities.

A recent survey by EKOS Associates showed that some 25 per cent of the adult workforce are keen to improve their qualifications and move up to better jobs through their own efforts. These so–called bootstrappers are prepared to work hard at self improvement and self investment. They typically have adult responsibilities, modest incomes and limited opportunities for learning on the job. Their learning needs are widely divergent and may range from literacy training to advanced education or technical training.

Despite our record in creating across Canada an excellent and accessible post–secondary education system, many of these people still have great difficulty in finding the optimum combination of time and money in order that they can participate. There are no easy solutions but we need to ask ourselves how we can improve this situation.

The social security reform discussion paper therefore raises two basic questions about federal investment in post–secondary education. How can we help to ensure long term stable and sustainable support for post–secondary education in a context of increasing financial restraints by all governments? How can we at the same time not only maintain our accomplishments in making post–secondary education accessible but broaden and expand that access to more people?

The social security paper outlines two options for future federal support of post–secondary education. Under the first option the current established program funding for post–secondary education transfer arrangements would be maintained. The total amount would be fixed at the 1993–94 level in keeping with the government's restraint on transfers announced in the 1994 budget. With total entitlements thus restrained but the tax portion of the transfers growing with the economy, the cash transfer portion would decline correspondingly.

(1135)

In 1996–97, the first year of any new arrangements, tax transfers are projected to be about $4 billion and cash to be about $2 billion for a total of just over $6 billion. While this total remains fixed, the tax portion is projected to reach $5 billion by the year 2001, meaning that the cash will be automatically reduced to about $1 billion at that point.

Finally, about 10 years after the new arrangement starts the value of the tax transfer would exceed $6 billion and the cash transfer would be virtually zero. The federal government would no longer provide cash support to provinces for post–secondary education.

We think there is a better way to invest the available cash. Instead of just letting it dwindle away to nothing, the green paper suggests using it to create a new $2 billion per year loan scheme on income contingent repayment principles. This would help students to meet the rising cost of tuition and thereby contribute an increasing portion of the cost of post–secondary education. It would thus help to ensure both the availability of high quality relevant opportunities for higher education and career training, but also their affordability.

The ICR principle as other hon. members have pointed out can ensure that an individual's payments on student loans do not become unmanageable. In a sense the income contingent repayment plan means sharing the risk between government and the individual, guaranteeing that payments will adjust automatically to income and therefore to ability to pay.

This second option would provide support to the post–secondary education system in two ways: first through a permanent and growing endowment of tax points that provinces can use to help finance their grants to colleges and universities, and second through loans that enable students to contribute to their own education.

Over the 10 year period beginning in 1996–97 the first option of the continuing current arrangements would provide a total of just over $60 billion to the post–secondary system. By contrast the second option would provide around $70 billion in tax transfers and loans over the same period. That is a difference of $10 billion in favour of the alternative approach.

This approach depends on the creation of a new student loan system that would ensure affordable payments for borrowers as well as simple and efficient means of repayment that would avoid problems of default. The scheme must be both fair and efficient.

The income contingent repayment approach properly designed could offer an answer to this need. The government is consulting interested groups about the specifics of design and welcomes their input to the process.

The options in the green paper for enhancing our national investment in post–secondary education are proposals, not decisions. The government is looking forward to reviewing these ideas in light of the many valuable comments and alternative proposals now being put forward. Not the least of these will be the suggestions of members of this House offered through the current debate.

[*Translation*]

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, it is with pleasure that I speak on the motion put forth by the Reform Party, but it is with no pleasure that I read and consider it. It

seems to me that much of this motion is contrary to the principles young people have been given for many years.

If you take a look at what is underlying this motion, because there are the words of the motion but there is a lot more to these words, to what lies under all this. Reference is made to reducing the number and dollar amounts of loans. We understand that the intent is to recover a larger part of the defaulted loans that are presently difficult to recover and that we should be shifting toward a university tax situation.

(1140)

This smooths the way for what follows: to ensure that post–secondary institutions receive all the funding necessary, while the goal—as previous Reform speakers have conceded—is to reduce the cost of education to taxpayers. So, if the necessary funding is to be maintained while you reduce the cost to taxpayers, of course someone else's costs will have to go up.

Whose costs? Probably the students'. They are told: ''Your costs will increase but you will be able to repay based on a fixed percentage of your income—what is commonly called university tax, or post–graduate tax, among students''. We are told that this is a good idea, one that was always considered in academic circles as potentially interesting—a post–graduate tax— but not as part of a system that doubles their indebtedness.

In that sense, I fail to see the difference between the Reform motion and the social program reform proposed by the HRD minister, who is basically suggesting the same thing. He is not as direct, though. Perhaps the one thing that can be said to their credit is that the Reformers are more direct. The documents tabled by the Minister of Human Resources Development talk about cuts in cash transfer payments to the provinces—this will amount to $324 million for Quebec—as well as cuts in income tax points—over $700 million—which will have the direct effect of increasing students' indebtedness and doubling tuition fees.

I now want to come back to indebtedness from a student's perspective. I was one myself not so long ago and I have been fortunate in that I have a good job and have been able to repay my student loans. I am very proud of having been raised in a good, accessible education system. I am one of those who first saw tuition fees rise every year and those who followed me have seen them rise even more because of subtle cuts in cash transfers.

How can we hope for a competitive, highly qualified labour force ready to take up challenges, when our young people look at the labour market with little hope while we encourage them to increase their debt load for their own good? Well, that is a major problem.

Why not give them a chance to get through the system and then increase their contribution? I think this would be a better approach that will ensure greater access. Is this the new system you are proposing for something that has always been a top priority in this country? Is this the new alternative you will try to sell Quebecers when the time comes to make collective choices? Is that the system you want to give us?

Both Liberals and Reformers see eye to eye on this. The third part of the motion would ensure that post–secondary institutions in Canada receive the funding necessary. I told my colleagues: ''They have the wrong level of government; they should ask their provincial legislatures''. Education is not an area of federal jurisdiction; our Constitution clearly stipulates that it comes under provincial jurisdiction.

But they always find a way. Liberal and Reform members would like to campaign on improving the education system because it is a priority for people. They do not have the courage to tell them that it is in provincial jurisdiction and explain power sharing under the present system to them. This leads to a lot of confusion and debt. Let this be a warning to this government.

There is no question of letting them meddle in education. It makes no sense. They will not repeat on a large scale with education what they are doing with occupational training. We should not let them. This paragraph about ensuring that educational institutions receive the necessary funding is not the federal government's role. So far, the federal government's only role has been to provide funds for the provinces, which reinvested them as they wished, and if this government wanted to be consistent, it would let the provinces that so desire collect these funds themselves by giving them the tax points or achieving their objectives like reforming the sales tax.

Why not take the opportunity to see how the provinces could do it themselves and at the same time ensure that they have the necessary funds so that they would no longer need to constantly ask the federal government, which always wants to centralize more with a cumbersome bureaucracy that always wants to meddle and control more?

(1145)

It has been a long time since the government—in fact it probably never happened—downsized its operations and made real transfers to the provinces.

Let us take a look at the situation of students. Quebecers and Canadians in general often live far from educational institutions. In order to pursue studies at the university of college level, students often have to leave their place of permanent residence. Not always, but very often. It was the case for me. Except for those enrolled in a few training programs, every university student from my region of Timiskaming or from Abitibi—Timiskaming must move to some large centre.

Obviously, we could provide more university programs in the regions and that would be a good thing, but it will always be necessary to go somewhere else to get specific training. This means that students will have to pay for rent and other expenses. There are certain related benefits in that these students develop a certain independence; they learn to become part of society and they gain a greater autonomy. However, there are related costs

which, traditionally, had been partly met by society, through loan and bursary programs.

However, for the last ten years or so, the proportion of loans and bursaries has been reversed. Greater emphasis is put on loans now, since it costs students more to pursue studies. The user pay principle is being implemented in the field of education; yet, education is really a collective good in that everyone can benefit from it.

Now the government wants to restrict that access in a very underhanded manner. Attending university can cost around $10,000 for a student from my region. Increasing, if not doubling tuition fees would translate into an additional $2,000 per year for every student enrolled in a university program. Let us not forget that, since many students must already work part–time to pay for their studies, very few manage to complete their program in the normal time frame. Many students need four years to complete the three–year program leading to a bachelor's degree. Many students take three years instead of two to get their CEGEP diploma and they even take four and a half years to get their university degree because they have to work while completing their education.

What would happen if we were to implement the proposals made by the Liberals and the Reform Party? What impact would it have on full–time versus part–time students, on the quality of education, on the quality of graduates? They do not seem to be thinking about that. They just look at the financial situation, and that is a real cause for concern.

If the debt incurred by students is supposed to double, do you think that our young people will attend university in larger numbers, especially since they often have to face a new requirement? They must have a microcomputer, which has become an almost essential tool. Of course, many universities provide microcomputers on site. Also, there are loans guaranteed by the Government of Quebec to help students afford a microcomputer, but it is another loan and this ever–growing debt becomes more and more of a burden to the system.

Students look at Canada's fiscal situation and they see that we have an enormous debt, but they also see the cuts that are being made. For example, our young people today will never benefit from the capital gains exemption that was available to previous generations. Many of the incentives and tools that Canadians used to become successful are being eliminated. Our young people are willing to accept that, but at the same time they are being told that they will have to pay more for their education.

They are being asked to do the job the government is no longer able to do with regard to the debt and we are supposed to believe that it will be better for them, that it will improve our education system.

Canadians are being deceived and the Bloc Quebecois will never support such a motion that goes against all the principles that society as a whole must contribute for the benefit of all, whether for health or education.

[*English*]

Mr. John Williams (St. Albert, Ref.): Mr. Speaker, I rise today to speak in support of the motion by my colleague, the member for Calgary Southwest, on the income contingent repayment of student loans.

For the record let me assure the House that my position and that of all the Reform Party caucus is that we wholeheartedly endorse all aspects of education. The country needs as much as it possibly can get. The debate this morning seems to have centred around education. The motion before us today deals with the collection of outstanding amounts owed by students in order for Canada to ensure the money that is being lent to students is being returned.

(1150)

I listened to the debate and the nonsensical rant of members of the Bloc Quebecois going back to the idea that only Quebec can handle the problems. The arguments they put forward seem to be rather ludicrous, looking at the motion put forward by the member for Calgary Southwest.

The Liberals have talked about fairness. When we take a look at outstanding loans we see that 90 per cent of Canadian students repay their loans with or without hardship but they do so. Ten per cent have been written off. If we are talking about fairness, surely we should expect all students to live up to their financial obligations rather than 10 per cent being allowed to walk away from their responsibilities while the other 90 per cent act responsibly and repay the debt.

Today we have a very difficult financial situation in the country caused by previous governments and a current government that refuses to grasp the situation and ensure that we get our finances in order. By the admission of the Minister of Finance we are going to add another $100 billion to our debt in the next three years, thereby squeezing the amount of money we are going to have available to pay for education and the other services we so desperately need.

We also know that the young people are going to pay back the debt on top of their education. They are the ones who are getting squeezed twice. We are asking them to pay more for their education as we continue to consume the assets of the country. The students who graduate statistically speaking earn 40 per cent higher incomes than those who do not have higher edu-

cation; but we must look to the idea that higher education is very expensive. It must be handed out to those who have the desire to take that education, go forward, help develop the country and use it for the betterment of Canada.

Higher education is not a place where people can fritter away some time and borrow the money from the Canadian taxpayer and hope that if they have some money they will pay it back at a later date.

Lets look at some statistics. I have the 1994–95 estimates from Human Resources Development Canada, the part III expenditure plan. Looking at page 5.4 under the social development and education program, we find that claims paid by the government, it is estimated for 1994–95, will be $195 million. That has been increasingly steadily. Working backward, the forecast for 1993–94 was $162 million. The actual for 1992–93 was $175 million and back in 1991 it was $147 million. The amount is getting larger all the time.

Can we expect the Government of Canada to continue to provide education free for some who want to flaunt the rules and expect those who abide by the rules to have to pay for it? I do not think so. We have to remember that 90 per cent of students pay their loans back.

Let us take a look at the defaulted loans. On page 5.39 of the same book, in the 1992–93 loan year the student assistance branch reimbursed lenders' claims for 29,079 defaulted loans. Let us take a look at the dollar amounts. Under $2,500 there were 8,180 claims. Between $2,500 and $5,000 there were 10,642 claims. Well over half of all student loans that have been written off were for less than $5,000. Five thousand dollars does not buy a decent used car today. It is not a downpayment on a house. It does not go very far.

(1155)

The average income in the country is around $24,000 a year per individual. We are talking just a few months of income. Surely it is only fair, when we are talking about the obligation people assume to go to university to get a higher education, that these people live up to their responsibilities and repay the loans.

Regardless of the Bloc Quebecois talking about how hard it would be, we must remember that only 10 per cent are abusing the privilege. Of that 10 per cent more than half of them are for less than $5,000. If these individuals whose student loans are written off have financial difficulties because they have no job and have no income, they should be allowed time to repay the debt.

However when they become employed, when they start to generate some income, surely we can expect them to live up to their obligations. Therefore the motion by the member for Calgary Southwest is perfectly in order. We should recognize that when there is hardship we should allow them the opportunity to defer payments. When they have the opportunity to pay back the loans they signed up for which provided for their education, provided for the betterment of their lives and presumably added to their standard of living and quality of life, the 10 per cent, like the other 90 per cent, should be expected to repay the loans.

We must remember that over half of the 29,000 who defaulted last year defaulted on an amount that was less than $5,000. Let us be realistic. Let us talk about being fair. Let us talk about fairness for everybody rather than just those who want to live up to their education.

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, I am delighted to be able to address the House on the crucial subject of federal support for post–secondary education.

The motion before us which was introduced in the spring by the Reform Party has taken on new meaning in the context that has evolved since then. Not only has legislation been passed to overhaul the Canada student loans program but the government has released its social security reform discussion paper. Both these initiatives reinforce the notion that income contingent repayment of student loans is a potential important component of the future post–secondary education financing scene in Canada.

As a further example of the interest in income contingent repayment loans demonstrated in the past few months, I would like to point to the conference in September sponsored by the Government of Ontario with financial assistance from the federal Department of Human Resources Development. It brought together leading experts from across Canada, Australia and the United States and gave some 300 participants a chance to exchange views and argue the issues.

The arguments in this area often involve strongly held views as we have seen in the debate in the House. Throughout the debate all sides of the House stress the importance of post–secondary education to the future of individual Canadians and of our country.

I believe none of us questions this basic value but we do have differing views as to how best the federal government can contribute to ensuring that Canadians continue to enjoy access to post–secondary education over the long term.

In our red book we did admit that ''we must make better use of the $44 billion we spend on education every year''. Many Canadian students already receive assistance from the federal and provincial governments to finance their studies. The costs to students of post–secondary education have increased significantly in recent years. The government has introduced reforms to the Canada student loans program to help today's students handle the increased costs.

There is no doubt that in the past significant numbers of students have difficulty repaying existing fixed payment loans. The government has moved to address the problem by introducing grants and expanding interest relief to include borrowers of low incomes.

(1200)

The government will soon be entering into contracts with lenders for the Canada student loans program whereby the institutions making the loans will assume greater responsibility for servicing and collecting them.

Under this new financing arrangement lenders will have a much greater incentive to provide income sensitive terms to borrowers. This flexibility will assist former students in repaying their loans.

More fundamental than the question of the operation of existing student loans problems is that of the share which tuition represents of higher education costs. Canadian post–secondary students contribute through their fees on the average about 20 per cent of university operating costs. We know that post–secondary graduates have much greater employment prospects and income potential than those who have not undertaken such studies. Should they perhaps contribute more toward the costs of this education?

As the House knows, the standing committee on human resources—

The Deputy Speaker: With profound apologies to the hon. member, she will have six minutes when the matter comes up for debate at the next occasion.

The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

GOVERNMENT ORDERS

[*English*]

CANADA GRAIN ACT

The House proceeded to the consideration of Bill C–51, an act to amend the Canada Grain Act and respecting certain regulations made pursuant to that act, as reported (without amendment) from the committee.

SPEAKER'S RULING

The Deputy Speaker: There are eight motions in amendment standing on the Notice Paper for report stage of Bill C–51, an act to amend the Canada Grain Act.

[*Translation*]

Motion No. 1 will be debated and voted on separately. Motions Nos. 2, 4 and 5 will be grouped for the purposes of debate but voted on separately.

[*English*]

Motions Nos. 3, 7 and 8 will be grouped for debate but voted on as follows. Motion No. 3 will be voted on separately. A vote on Motion No. 7 applies to Motion No. 8.

[*Translation*]

Motion No. 6 will be debated and voted on separately.

[*English*]

The Chair would now propose that Motion No. 1 be debated.

MOTIONS IN AMENDEMENT

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ) moved:

Motion No. 1

That Bill C–51, in Clause 2, be amended by replacing lines 42 to 45, on page 2, with the following:

''4.(1) The Governor in Council, on the recommendation of the committee of the House of Commons that normally considers agricultural matters, shall designate one of the commissioners to be chief commissioner and another commissioner to be assistant chief commissioner.''

He said: Mr. Speaker, this is the second time I rise in the House to speak to Bill C–51. The bill was discussed at length in committee, mainly so that we could provide some clarification.

The House will recall that the purpose of this bill is to clarify some procedures with respect to contracts concluded by the Canadian Grain Commission with grain elevator operators and producers.

I will first comment on the amendment I proposed to improve Bill C–51. The amendment in question does not affect the main thrust of this bill. According to the government, the bill will impose greater responsibility on grain producers to secure payment for their grain from elevator operators and grain dealers licensed by the Commission. The government is telling producers: Look, you know how this works. We now have to make some adjustments to make things work more smoothly.

The amendment I am proposing to Bill C–51 is along the same lines, in that its aim is to provide for more effective and, above all, more transparent operations.

(1205)

The proposed amendment affects the government body that is involved in all these operations, the Canadian Grain Commission—and more specifically, section 2 of the bill which concerns the appointment of the chief commissioner and the assistant chief commissioner of the Canadian Grain Commission.

The section reads as follows:

The Governor in Council shall designate one of the commissioners to be chief commissioner and another commissioner to be assistant chief commissioner.

Before the amendment provided in Bill C–51, the governor in council only designated the chief commissioner. Bill C–51 adds the appointment of the assistant chief commissioner to this section. The motion I am presenting this afternoon in the House would involve the Committee on Agriculture and Agri–Food in the process.

As amended, the section would read as follows:

> The Governor in Council, on the recommendation of the committee of the House of Commons that normally considers agricultural matters, shall designate one of the commissioners to be chief commissioner and another commissioner to be assistant chief commissioner.

The governor in council appoints the seven commissioners of the Canadian Grain Commission. Of course, if you want to be naive—I remember very well how the commissioners were appointed under the previous government. I have some friends who sat on the Immigration Commission, and I can assure you that the Conservative Government did not appoint any Liberals. These were well–paid jobs. You were paid to work not too hard for five or six years, depending on the appointment.

The Liberal Party will be no exception. In appointing these commissioners, it will make sure to select good red commissioners, making partisan appointments. What we would suggest is to enhance slightly the role of the MPs sitting on the Standing Committee on Agriculture and Agri–Food. Our proposal is that, within the committee, which is—need we remind you—dominated by the Liberals, the Liberal Party could nominate a chief commissioner and an assistant chief commissioner. The Liberals are in the majority on the committee, but at least we would get the impression that the opposition parties had a say in deciding which of the seven commissioners would make the best chief commissioner.

I sometimes wonder if committees are not used a little bit like so–called occupational classes in a school, where you stick less–gifted or motivated students who nevertheless have to attend school.

But here, if we want our committees to have a degree of credibility, we must give them responsibilities and roles to play. With this motion, the Bloc Quebecois would give them some role to play and slightly reduce this shameless partisanship.

As it currently stands, the clause allows these appointments to be made unilaterally by the Governor in Council, that is, by the government.

(1210)

You will understand that it is out of concern for transparency that I am suggesting that the government consult the appropriate committee so as to appoint the best qualified people to run the Canadian Grain Commission.

I think it is only fair to say that the credibility and importance of the commission are well established. That is why is must raise above any partisanship and the best qualified individuals, regardless of their political colour or affiliation, must be put in charge of it. Such a unilateral approach has often led to unfortunate situations in the past.

A competent person can be appointed to be chair, only to be replaced by someone who is a little closer to the party forming the new government. I imagine that certain very political positions can only go to people who agree with the government's policies and can implement them. But I do not feel that CGC positions fall in this category.

Furthermore, when someone is fired for partisan reasons, the tab for breaking this person's contract is often picked up by taxpayers. If this person worked on implementing initiatives, we hope that the whole process will not come to a stop while we wait for someone else to be appointed and start carrying out the new policies.

Several people came to testify before the Committee on Agriculture and Agri–Food, and I remember very well one witness who was very interesting and especially quite eloquent. A lady told us her story. She said that she used to sit on the CGC and that she was fired when the former Conservative government took office. Until we find evidence to the contrary, the Liberal Party resembles the Conservative Party in all respects. It will not hesitate either to get rid of someone even if that person is doing a good job.

The members opposite will respond that they do not engage in such practices. If all their decisions in situations such as this are devoid of partisan considerations, they should be happy to shout it from the rooftops today. As nothing lasts forever, they should think about their successors who will have total faith in them.

Incidentally, this approach would also avoid many recriminations since representatives of all political parties would have their say on who is appointed to these two positions, in the Committee on Agriculture and Agri–Food.

In closing, I urge once again all members, at least all members of the Committee on Agriculture and Agri–Food, to vote in favour of this motion.

(1215)

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, I would like to make a few comments on Bill C–51 which is before the House this morning. Probably the best way is to sum up what this bill is all about and then I will make a couple of specific comments about the motion before us.

I would like to quote part of the speech the Minister of Agriculture and Agri–Food delivered to the House when the bill was put forward some weeks ago.

> The grain industry is changing and the pace of change is accelerating. To remain competitive in global markets, and global markets are where Canada sells most of its grain, we need a regulatory and legislative framework which protects the shared interests of all stakeholders. At the same time it must assist the individuals and groups within the industry to compete successfully, adding value where possible to their efforts.

The minister made that statement a number of weeks ago and I can assure the House and the industry that this very comprehensive consultation process has taken place as we have moved through the bill.

As far as the motion that has been put forward is concerned, I would like to assure the members of the House that as the government reviews the appointments, we can guarantee that they will be filled with competent, capable, enthusiastic and qualified people. When those appointments come along they will be advertised in the *Canada Gazette*. There is nothing prohibiting any member of the industry or anybody else suggesting that the minister consider someone. There is ample opportunity for all of that to take place.

However, we must recognize in the final analysis that the chief commissioner and the commissioners are responsible to the minister. The best way to ensure that the minister is comfortable with those appointments is to leave things as they are at the present time, with the minister having the final say. But I can assure the House that anyone whose name is put forward will be reviewed in the same manner as everyone else. The House does not have to be concerned about the quality, capability and competency of those with whom the government fills the positions.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I rise to support the amendment brought forward by the hon. member this morning. From the parliamentary secretary's statement it seems he really supports the motion as well.

This motion does not take final authority to make the appointments from cabinet. All the motion does is give the agriculture standing committee the power to discuss and to recommend. I do not believe there is any disagreement and the Liberals should support the amendment.

The amendment allows the agriculture and agri–food committee to recommend names to cabinet for the Canada Grains Council's chief and assistant chief commissioners. Our party supports this because it will allow for discussions to take place, at least in the standing committee, which is better than only in cabinet.

Even with a Liberal dominated committee, as the committees are now, it would still give opposition parties the ability to put forward suggestions and to talk about the qualifications or the lack of qualifications of these appointments.

Where Reform and Bloc members do not agree with the appointments the Liberals are making, we can talk about it in committee and get some public involvement in the discussion. It would make it more difficult for government to make appointments strictly based on patronage. It would take that aspect out of it to a large extent. At least if the minister did make appointments strictly based on patronage and the qualifications of the person appointed were not there, then the public could make him pay the price because there would be open discussion.

(1220)

I would like to close by asking a question of the parliamentary secretary. Who could possibly oppose a motion which will provide for more discussion of these appointments and still leave the final authority to appoint with cabinet? I think I heard the parliamentary secretary say that so why would he or his party oppose the motion? They should not, based on what he has said.

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, I listened with care to the member for Frontenac. While I agree with his sentiments, he is attempting to define a role for the agriculture committee in the appointment of personnel for boards such as the grain commission.

In reading the motion carefully I see that the amount of leeway available to the agriculture committee is very limited. Essentially all its members will be doing is deciding among the three to five people who currently are appointed to the commission which would be the chief commissioner and which would be the assistant chief. I get that reading in either language.

Essentially what you will have, even if this becomes part of the law, is the governor in council or the cabinet appointing the three to five commissioners. After that process is finished the agriculture committee or designate would then recommend to the agriculture minister and to the governor in council, the cabinet, which of those three to five—however large the commission happens to be at the choice of the government of the day—would be the chief commissioner and which would be the assistants.

That is not particularly important. I have no objection to it going into the bill but it does not change the power of members of the committee to decide which of a bunch of Liberal appointees, Conservative appointees, Reform appointees, or Bloc appointees might be considered the chief and which would be the assistant chief in the event that the chief could not act.

I liked the arguments that the hon. member for Frontenac made when he argued that committees should have more power in the management of these commissions by proposing names. Unfortunately that is not what the proposed motion does. It only picks the three to five appointees and ranks them. That is really not a very important job even though it might set a bit of a precedent.

[*Translation*]

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, I listened carefully to my colleague from Frontenac. His amendment reads:

> ''4.(1) The Governor in Council, on the recommendation of the committee of the House of Commons that normally considers agricultural matters, shall designate one of the commissioners to be chief commissioner and another commissioner to be assistant chief commissioner.''

I think that is the key to a transparent appointment process for the Canadian Grain Commission and I really see the members who will oppose it. It also gives the members of the agriculture and agri–food committee a new role.

The purpose of the amendment submitted by my colleague from Frontenac is to have good people appointed to the Commission in a non–partisan way.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

(1225)

[*English*]

The Deputy Speaker: Pursuant to Standing Order 76.1(8) the recorded division on the motion stands deferred.

Mr. Vic Althouse (Mackenzie, NDP) moved:

Motion No. 2

That Bill C–51, in Clause 12, be amended by replacing lines 37 and 38, on page 6, with the following:

''et or receipt relates within one hundred and eighty days after the day on which''.

Motion No. 4

That Bill C–51, in Clause 19, be amended by replacing line 9, on page 11, with the following:

''grain in a licensed primary elevator, licensed terminal elevator or li''.

Motion No. 5

That Bill C–51, in Clause 22, be amended by replacing lines 33 to 40, on page 11, with the following:

> ''81. (1) With respect to the purchase of western grain from the producer of that grain, every licensed grain dealer shall, at the prescribed time and in the prescribed manner,
>
> (a) issue a grain receipt, elevator receipt or cash purchase ticket stating the grade name, grade and dockage of the grain, and immediately provide it to the producer, or
>
> (b) where no Canada grade name is applicable to the grain, issue a grain receipt, elevator receipt or cash purchase ticket stating the type of grain by name, value of the grain and dockage of the grain, and immediately provide it to the producer.''

He said: Mr. Speaker, these motions propose to achieve two things. One is to extend the time that grain may be left in an elevator before it is priced. In effect it will be extending the time from 90 to 180 days and provides additional protection to the farmer who left the grain for storage up to the 180 days.

This is a reduction from the current law in which the protection lasts for one year. It would cut the time in half. The effect on farmers is that it forces them to price grain more quickly than is currently required. Ninety days in my estimation and in the estimation of a lot of producers is not a great deal of time. It forces them to unload the grain that has been delivered to commercial storage to await a price.

Second, Motions Nos. 4 and 5 have the effect of including the designation, ''elevator receipt'' in the choices of paperwork that might be engaged in on delivery of grain to the various receivers.

It is extremely important that an official elevator receipt be available on demand for the producer. I remind the House that the elevator receipt means a document in the prescribed form issued in respect of grain delivered to an elevator acknowledging receipt of the grain and subject to any conditions contained therein or in this act, entitling the holder of the document, who now be the farmer; (a) to delivery of grain of the same kind, grade and quantity as the grain referred to in the document or; (b) in the case of a document issued for specially binned grain, which is another designation under the act, to deliver the identical grain.

With the inclusion of an elevator receipt we are permitting the producer to retain the exact amount and type of grain he has delivered. He has not yet given up ownership of it. He has only put it in storage and started it into the system.

This is important in the event a grain dealer goes into bankruptcy. It permits the farmer to extract his grain from the institution and safeguards against what can only be described as rip–offs that have occurred in the past.

Prior to the grains act being changed a couple of years ago, some processors actually accumulated thousands of bushels of grain and collected credit on them, when bankrupt, using the grains to relieve some of the elements of their debt. In effect

they were transferring the ownership of that grain from the farmer to themselves without any money having changed hands.

(1230)

These amendments are designed to provide adequate protection for producers who use the wide variety of choices under the grains act. Therefore no matter what their choice they would have the same recourse to protection by the demand for the issuance of an elevator receipt. With my amendments this would give the producer the protection and knowledge that he would still be the owner and would still have the right to the sale of that grain.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I would like to speak on the three amendments put forth by the hon. member for Mackenzie.

The purpose of Motion No. 2 is to limit the time period for a grain dealer to meet the paper requirements to 180 days from the flexible type of arrangement under the Canada Grain Act right now. I do believe flexibility is needed.

The Canadian Grain Commission has to be given the power to set different lengths of time for the different transportation situations and for the different types of dealers in the industry. It takes and requires that flexibility. The 180 days would end up setting a maximum which is too long for some grains and may be too short in the rare case. Flexibility is needed.

We cannot support this motion because that flexibility is needed for the commission to operate properly.

The intent of the motion is good. However we must consider the Canadian Grain Commission's overzealous enforcement in some cases and its unwise laxness in others as in the case of ensuring that companies are operating within the bonding level. While those concerns are there with some of the past dealings of the Canadian Grain Commission I believe it does need the flexibility in this case. Therefore we will oppose this motion.

Motion No. 4 adds primary elevators to the list of terminal and transfer elevators in terms of facilities where the seller will have top priority. If the company that is operating should become bankrupt or insolvent the seller has the top priority, the first right to receive payment for grain that he has in storage in those facilities. This is a good amendment.

It never did make sense to me that a farmer with grain in an elevator of a company that went bankrupt and was out of business would not have the first right to receive payment for his grain that was sitting in that facility. That is the case right now. Therefore we do support the amendment.

Motion No. 5 adds the additional stipulation that in cases where no official Canada grade name is applicable to a grain under the Canada Grain Act, then the grain dealer shall immediately issue a receipt stating the name, the value and the dockage of the grain.

While its intentions are good, this amendment will make it virtually impossible for speciality crop dealers along with others to operate. This is especially so in cases where farmers are loading directly on to a dealer car or a producer car or for truck pick up in the yard and these shipments are going into the United States. In cases like that it would make it virtually impossible for the sellers, the farmers and the dealer to do business.

(1235)

This recommendation restricts too much. Again the intention is good in that the concerns the member has are legitimate. In some cases now grain is being loaded on trucks without a grade given and without a value assigned.

If that grain does not make it to its destination, what compensation can the farmer get? What proof has the farmer that the grain has been shipped other than the bill of lading, which a farmer should get from a trucker before loading?

In the case of loading directly on a rail car, whether it be a dealer car or a producer car, it is just a copy of the paperwork that the farmer sends to the company and the Canadian Grain Commission. The company they are dealing with has not really been verified by anyone. How much weight would that carry in legal terms? Probably very little.

In practical terms, how is the farmer going to weigh the grain that goes on to the car? How is the farmer going to weigh the grain that is put on a truck and is moving into the United States? There is no practical way.

The cars of course are weighed when they go over the first scale on the track but in terms of grade and dockage, that has to be determined from the spill. In case of a spill, samples can be taken from the product.

My personal experience with this is from people I have talked to who have had spills. One happened a couple of years ago by Innisfree in my constituency. The farmer felt that the compensation was fair. Dockage and grade was taken from the spill. A weight had not been taken but the farmer was paid out at the maximum load that was allowed on the car. Therefore the railways have treated farmers fairly in this regard.

For those reasons I oppose this amendment.

Mr. Althouse: Mr. Speaker, on a point of order, I was listening to the last debate and I wanted to clarify which motions had been grouped. My understanding is that it was Motions Nos. 2, 4 and 5. I believe the hon. member was talking about Motion No. 6. It confuses the debate to have him opposing something we may not yet be talking about.

The Deputy Speaker: The member is correct that it is Motions Nos. 2, 4 and 5. It is very difficult for members I am sure to keep track of what motion we are discussing.

Mr. Benoit: Mr. Speaker, on a point of order. Motions Nos. 5 and 6 do deal with a very similar topic area, but the member is absolutely correct. I just spoke on Motion No. 6. A lot of the same rationale does apply to Motion No. 5. It is virtually the same rationale except we are not talking about transportation. We are talking about paperwork. The debate I have just given applies if it is translated to paperwork instead of transportation.

[*Translation*]

Mr. Jean Landry (Lotbinière, BQ): Mr. Speaker, it is my pleasure to address Bill C–51, An Act to amend the Canada Grain Act and respecting certain regulations made pursuant to that Act. As you know, the Canadian Grain Commission has the responsibility to guarantee to purchasers of Canadian grain the quality and the quantity that they order, and to ensure the reliability and the wholesomeness of products intended for domestic and foreign markets.

The government wanted to give more operational flexibility to the commission by amending the act. The amendments include changes to the current provisions on licensing and security. The Official Opposition tabled a motion regarding the appointment of the commissioners to the Canadian Grain Commission. Let me tell you that the public has had enough of partisan appointments and is tired of seeing heads roll as soon as a new government takes office.

The amendment to clause 2, which will be discussed more thoroughly later on by a colleague of mine, must be adopted for reasons of transparency. Motions Nos. 2, 4 and 5, tabled by the NDP, deserve some consideration.

(1240)

The hon. member for Mackenzie proposes that the deadline set in clause 12 be changed. We cannot accept that amendment.

The Canadian Grain Commission requires producers to do what is necessary to get paid for their grain, within 90 days of delivery to an elevator operator or a grain dealer. After this 90–day period, a producer who did not get paid has 30 days to notify the commission. The 90–day period is fixed by regulation.

In its amendment, the NDP proposes to set that period at 180 days in the act. Thus, it would no longer be possible to change that period by regulation. The Canadian Grain Commission would see its flexibility to ensure payment for the grain within a reasonable period of time and especially to avoid bankruptcy be reduced.

Do we need to remind the NDP that this time limit was set up following a Federal Court ruling in 1990, which held the Canadian Grain Commission responsible for the bankruptcy of two of its licensees? The security given by these two licensees was not enough and the taxpayers had to make up the difference, which came to $3.8 million in this case.

Let us just say that it would be better to avoid such incidents from now on. The 90–day time limit provided for in the regulations seems fair. This is why we urge members to vote against this motion.

Motion No. 4 to amend Clause 19 is inappropriate, since we are not talking about the same type of elevator receipts. In the case of terminal elevators or transfer elevators, a receipt can be resold. The last holder has the priority to receive the grain. However, in the case of a primary elevator, the purchase or the sale is handled directly by the producer and the terminal operator.

The elevator receipts are redeemable immediately. Even the Canadian Grain Commission does not see the need to add primary elevators to Clause 19 of this bill, because we are not talking about the same type of transactions.

In Motion No. 5 concerning Clause 22, the NDP proposes that the commonly used name of some types of grain be stated on the grain receipt, or the elevator receipt, if no Canada grade name is applicable to the grain. After checking with the Canadian Grain Commission, it seems that almost every grain has a Canada grade name, even though it is not always well known.

The amendment as proposed by the NDP could cause even more serious administrative problems than if everybody used the grade names. Greater responsibility is imposed on grain producers and operators to state the grade name, grade and dockage of the grain in order to help assess the value of the grain.

Anyway, the Commission can exempt an elevator operation from using the grade. If the Commission releases the lesser known grades of some grains, people should be able to manage. In this case, we do not think the bill needs to be amended in this way.

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, I would like to make a few comments on these three motions.

First I will comment on Motion No. 2. As has already been said this motion which has been put forward by the member for Mackenzie sets out a definite date on which settlement would have to be made. Other members have commented today that there needs to be some flexibility. After a long period of consultation which has taken place on this the industry feels it should be 90 days. That is why it is there. If we were to prescribe in the bill that there be a set number of days, no matter what that was, there would be difficulty in the future. If the industry

deemed it should change, it would take a change in the legislation to do so.

(1245)

By doing this in 90 days, as will be suggested and done by the commission without having been carved in stone in the legislation, one of the things we have to keep in mind is to keep the money getting to the producers as quickly as it possibly can. If the producers were allowed to leave their grain in an elevator for a longer period of time those elevator operators would probably have to have a greater amount of security posted at all times because of the volume that might be there.

Also, we want to get the dollars back to the producers as quickly as we can. We do not want to put the temptation out there for producers to leave the grain in the elevator a long period of time and start using it as a storage facility to hold their product so they might be able to speculate on the market as it goes along and maybe have some distorting influence on the price of the market.

We certainly cannot support Motion No. 2 for those reasons if no others.

On Motion No. 4, I want to point out to the member for Mackenzie that if he looks at section 112 of the act it already provides protection for the holders of primary elevator receipts. The section that he is referring to or suggesting that they make an amendment to is the section that deals only with terminal and transfer elevators. The provision that the member is requesting is looked after.

The member for Vegreville raised the issue that the producers should have first claim. The producer does have first claim. The producers have first claim in any situation if the producers still maintain their receipt. If the producers wish to assign their receipt to somebody else well that may very well differ the situation. The producers do have first claim as long as they have that receipt.

Motion No. 5 refers to the use of grades on a receipt when it is received. What we want to avoid here is the temptation that has been there in the past to not list the grade name. The elevator operator in the past, when they did not have to list the grade name, it was not necessary that they post security for that product in the elevator.

We want to close that loop and close that possible gap, also recognizing that there may be times when that has to take place and that can take place and that the grade name does not have to be there. The elevator operator in that case, if it were a feed grain or something, could have that without a described grade on it providing that they agree with the commission that they provide security so there would have to be specific recognition and co–operation made in that case.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 2. All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76.1(8), a recorded division on Motion No. 2 stands deferred.

(1250)

The next question is on Motion No. 4. All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

The Deputy Speaker: In my opinion the nays have it. The motion stands deferred.

The next question is on Motion No. 5. All those in favour of the motion will please say yea.

Some hon. members: Yea.

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

Some hon. members: Nay.

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

An hon. member: On division.

The Deputy Speaker: Motions Nos. 3, 7 and 8 will be grouped for debate but voted on as follows: Motion No. 3 will be voted on separately; a vote on Motion No. 7 applies to Motion No. 8.

Mr. Leon E. Benoit (Vegreville, Ref.) moved:

Motion No. 3

That Bill C–51, in Clause 13, be amended by adding after line 15, on page 8, the following:

''49.2 (1) A person who proposes to operate a primary or process elevator or carry on business as a grain dealer without being licensed under this Act may apply to the Commission to be exempted by order under paragraph 117(*b*) from the requirement to be licensed.

(2) Unless the Commission has reason to believe that the elevator is not suited to handling grain or that the person is not a suitable person to carry on business as a grain dealer, the Commission shall make an order under paragraph 117(*b*) exempting the person from the requirement to be licensed.

(3) A person who is exempted from being licensed under subsection (2) shall display prominently a statement in the prescribed form that the person is not licensed under the Canada Grain Act to operate an elevator or carry on business as a grain dealer

(*a*) at every place of business operated by that person at which a contract for the delivery of grain may be executed;

(*b*) at every place where grain may be delivered to the person as an elevator operator or grain dealer; and

(*c*) on every document that is, relates to or solicits a contract to deliver or handle grain.''

(4) Section 83 does not apply to a person who is exempted from being licensed under subsection (2).

Motion No. 7

That Bill C–51, in Clause 33, be amended by deleting lines 9 to 15, on page 15.

Motion No. 8

That Bill C–51 be amended by deleting Clause 34.

He said: Mr. Speaker, I am pleased to rise today to speak to these three motions which have been put forward by the Reform Party.

The purpose of Motion No. 3 is to allow grain dealers or the operators of primary or process elevators the ability to opt out of licensing under the Canada Grain Act. This amendment would remove from these operators all of the requirements and restrictions under the Canada Grain Act.

This amendment also imposes certain conditions for opting out to make sure that it is very clear to people using these services that this particular dealer or elevator operator is not licensed and therefore meets no bonding requirements under the Canada Grain Act. That is an important protection which I think is necessary to make this opting out work.

The Canadian Grains Commission must allow the opt out on the part of the dealer unless it can show good reason that this person should not be allowed to carry on business or that the facility is not a proper facility to carry on a business.

All we are talking about there is the individual who is applying to carry on business should have a good credit rating, one that would not interfere with allowing him to carry on a business, and should not have a criminal record which would restrict him, which the commission would feel would not allow him to carry on his own business.

Those are the only restrictions. Barring those restrictions an individual who wants to opt out should be allowed to opt out.

This amendment would also allow those who have opted out to deal under the Canadian Grains Commission with grading and inspection services, to use its services. Unfortunately, it was not possible as far as I could tell to make this amendment require that the Canadian Grains Commission allow these opted out individuals to use its inspection and grading services. I would hope that the Canadian Grains Commission would feel an obligation because these people are in the grains industry and the Canadian Grains Commission says it is important to have the integrity in our business by having grading and inspection services. I would hope that the Canadian Grains Commission would allow for this grading and inspection even for those who have opted out.

(1255)

That is the purpose of this amendment and I believe that it would allow these opted out people to operate. They can of course provide security on their own through some type of private insurance, some type of bonding. It would also allow groups like the special grains people who have expressed a real concern with this bill to opt out and then, especially small dealers, opt out as a group and form their own group, put their own bonding or insurance in place. They could be under the umbrella of a special grains group for example. It would allow these individuals to operate still using official Canada grain names where it applies.

I believe the purpose of this amendment would be allowed under these changes. Still, it would depend on the goodwill of the Canadian Grains Commission to allow for the grading and inspection services to be used because these people would have opted out completely from the requirements under the Canada Grains Act. That briefly is amendment number three. The hon. member for Kindersley—Lloydminster is going to speak later specifically about the special grains end of it later.

I think we can talk about Motions Nos. 7 and 8 together. Both of these motions are simply there to delete the changes that have been made through Bill C–51 to the act. What it would do is have these sections revert to the old language of the Canada Grains Act which does not specifically state that the governor in council, the cabinet, has the power to overrule the Canadian Grains Commission in these areas.

These two changes that were put into the Canada Grain Act under Bill C–51 specifically state that cabinet does have the power to overrule the Canadian Grains Commission.

It is political interference with a body that is supposed to be an arm's length body, a regulatory body. Those who are in favour of making the change under Bill C–51 which gives the cabinet the final say state that really all it does is give cabinet a power that it has over the entire Canada Grain Act anyway. That is true to some extent because the cabinet does have control. The minister and the cabinet do have control of the Canada Grain Act.

When I was in committee my question to the people in the Canadian Grains Commission who administer this act was why put these amendments in Bill C–51 which specifically designates this power to cabinet. I was given no answer.

All I am asking is that these powers which are specified under these section of Bill C–51 are again left out as they originally were in the act. I cannot understand why the Liberal Party would oppose this change. I would like to trust that the exclusion of this was an oversight on the part of the people who drafted this new legislation. The only other reason for adding it is to give cabinet hands on, more direct control over the Canadian Grains Commission in these specific areas of the act. That is the only reason to leave them in.

I would ask for support from all parties in the House.

(1300)

[*Translation*]

Mr. Réjean Lefebvre (Champlain, BQ): Mr. Speaker, I will speak to the House about Bill C–51 and the grouping of motions 3, 7 and 8. I will start with Motion No. 3. This motion presented by the member for Vegreville is the result of complaints voiced by western producers, in particular special crop dealers. I understand that the purpose of this motion is to make it possible for elevator operators or grain dealers to be exempted from the obligation to hold a licence for selling or buying grain.

Before voting on the motion, we must consider the sections involved, as they appear in Bill C–51. According to what was explained to us, we understand that the amendment proposed by the bill is aimed at reinforcing the obligation to hold a licence. Bill C–51 clearly and explicitly prohibits the sale and purchase of grain without a licence. If a producer deals with an unlicensed merchant and if the latter goes bankrupt, the producer will receive no compensation from the CGC. Therefore, he does so at his own risk. The situation which led the CGC to include this provision in the bill could roughly be described as follows:

Certain new elevator operators are in the business of cleaning grain from special crops; their neighbours, too, find it practical to deal with them because they are closer and, possibly, because it is cheaper since they are not licensed, thus saving on license–related costs.

These costs can amount to as much as $20,000 a year. Eventually, the elevator operators offer to act as intermediaries for their customers and sell the grain they cleaned. It seems that there is some uncertainty in the act that would make this possible. This is why the government wants to go ahead and clarify this provision. The motion before us now would make it possible for small operators to be exempted from the obligation to hold a licence, thus allowing them to save the costs associated with such a licence.

At the present time, all elevator operators and traditional grain dealers hold a licence certifying that they meet CGC standards. The commission prohibits anyone without a licence from buying or selling grain. The CGC demands that licensees post bonds equal to the value of their highest monthly transactions. The reason for this is very simple. If they want to deal in grains, they have to prove that they have the financial capacity to do so.

There is a system of securities guaranteeing payment of delivered grains in the event of bankruptcy of the elevator operator or grain dealer. In the past, the CGC, and consequently taxpayers, had to pay for shipments made to two elevator operators who went bankrupt. The cost was $3.8 million. The motion by the hon. member for Vegreville would be especially worthwhile for special crops since the government intends to introduce a bill on that subject in the spring.

I suppose that we could then include a provision to that effect. What concerns me about the motion of the Reform Party is that it could lead to deregulation of the industry. With this motion, those who would apply for a licence exemption would get it unless the CGC proves that the elevator is not suitable for grain processing.

Given the cost of a licence, well–established companies, like Cargill, could ask to be exempted and the commission would be unable to refuse. Consequently, despite the underlying good intention of the motion, I must reject it because of the risk of deregulation.

As for Motions Nos. 7 and 8, grouped together, they puzzle me. They are mainly technical in nature. Lines 9 to 15 in clause 33, and clause 34 have been added to the bill to allow the CGC to change grade names more quickly. Removing these would block the process. I will therefore oppose the motion.

(1305)

The confusion started in 1988 when the CGC wanted to be able to react more quickly when new grades were needed. An amendment allowing for the creation of grades and grade names by regulation was adopted in 1988. Although the amendment dealt only with grades and grade names, the approval of the Governor in Council was needed. From 1990 to 1993, the CGC used an invalid procedure to modify grades and grade names of grains. Prior to 1988, grades and grade names were specified in a schedule to the act and could be modified only by legislative amendment.

According to lawyers, a regulation made without Governor in Council approval cannot be implemented. The CGC did not see fit to have Sections 33 and 34 exempted from Governor in Council approval in order to speed up the process. Therefore, I will oppose the motion because we must abide by the law and also for the sake of efficiency.

[*English*]

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I want to speak briefly to the Reform motions that would amend the Canada Grain Act. I particularly want to speak as they concern the special crop industry.

I have spoken about the matter before in the House. I have a very relevant concern in that it is a growing industry in my constituency of Kindersley—Lloydminster. It is one of the bright spots in the agricultural industry throughout at least western Canada and possibly other parts of the country as well.

There have been a couple of minor problems, not minor for those involved but minor in the scope of the entire industry. Two facilities ran into disrepute. The one in my constituency was the Klemmer seed company and the other was Pro Star. The producers that delivered to these companies were not adequately protected.

The Parliamentary Secretary to the Minister of Agriculture and Agri–Food is also aware of some of these concerns and problems. It may be part of the reason some of the current amendments are put forward to amend the Canada Grain Act. However there have been discussions with the industry and it is proposing further changes in the form of a new special crops act that would adequately protect those who deal with this new and growing industry.

In the interim Motion No. 3 would, temporarily at least and ongoing if we did not change the act, allow special crop producers to opt out of the auspices of the Canada Grain Act which was first passed about 1912 and really does not fit the needs of the industry, because they are not Cargill, the Saskatchewan Wheat Pool or United Grain Growers. They are much smaller operators, almost taking the form of family farm operations in many instances. They not only provide valuable services to the special crops act but they are extending the viability of many rural communities through employment opportunities and through service to local producers in those areas.

The industry is a very conscientious industry and is promoting changes and regulations to protect producers. It needs time for the government to enact a special crops act so it can function and protect producers who deal with the industry.

Motion No. 3 would allow them to opt out of the auspices of the Canada Grain Act. That is not something that is unheard of in the current situation. For instance, right now feedlots which buy a lot of grain are able to opt out. They must clearly indicate that they are not under the constraints of the Canada Grain Act.

The hon. member for Vegreville has indicated that the same provision should be made available to other players in the industry. They must clearly indicate that they are not under the auspices of the Canada Grain Act so that those who would deal with operations such as Klemmer and Pro Star would not be under any illusions that they were being protected by the Canada Grain Act.

(1310)

There have been a lot of allegations of political interference particularly in the Klemmer case. We may never know the full story behind that situation, but it is clear producers must be aware of where they are protected by the Canadian Grain Commission and where they are not protected.

With this motion the hon. member for Vegreville is attempting to clarify that and allow the special grains people to opt out so they can bring in their own special crops act, which would clearly protect producers who deal with them. Unlicensed individuals may still buy and sell using Canadian Grain Commission approved grade names if the commission would agree. It could perhaps even charge a modest user fee to provide that service.

As far as Motions Nos. 7 and 8 are concerned, they apparently clarify and revert to how the old act was structured. The amendments as put forward in Bill C–51 would clarify and give far more power to cabinet or to order in council decisions affecting the Canadian Grain Commission. If anything, we should be moving the other way where this quasi–judicial body would be at arm's length and cabinet would not be interfering in the daily work of the Canadian Grain Commission.

I also ask the House to consider support for Motions Nos. 7 and 8 so we can have better legislation to facilitate the work of the industry and we can see it progress rather than revert to the days of 1912.

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, I would like to make a few comments on the three motions before us in this grouping, the first one being Motion No. 3.

I have to question something because I cannot quite figure out where Reformers are coming from when they talk about wanting some people to opt out. They want the Canadian Grain Commission to make the decision on whether somebody can opt out or cannot opt out. Let us look at the practical application of that. If someone asked for permission to opt out and the Canadian Grain Commission thought there might be some requirement for the elevator or operator and it was not totally satisfied the security was there without a legal bonding or security being posted, the commission could say that he should not opt out. What message does that send?

In other cases, as has been mentioned, some larger grain companies that might be considered to have all kinds of backing could opt out. As the member from the Bloc said, I could see a total breakdown in regulation and therefore deregulation of who was secure and who was not secure.

Having farmed for many years myself, not in the west admittedly but taking grains to elevators, I know farmers are busy. There is an assumption that if we know some elevators

have bonding or security we assume that probably others do. We could end up in a situation where an elevator had security posted and 20 or 30 miles away an elevator might have security posted because it chose to.

It is certainly not the intention of the government to leave in place a situation where everybody is not treated in the same way. Hopefully it will be some comfort to members that the Canadian Grain Commission realizes every operator out there does not do the same amount of business. They may not have a large volume of product in their facility or on their site at any one time. There is work being done as far as how smaller operators can collectively post bond or securities so they can be covered. We have to remember that.

What would it do as far as competitiveness between dealers or elevator operators is concerned if one had further costs due to posting security and another one down the road, 100 miles away or even 10 miles away, did not have those costs? It is certainly our intention to treat everybody fairly. It is not our intention at this time to encourage or to allow some dealers to be in the system and some dealers to be out.

(1315)

In reference to the comments from the member for Kindersley—Lloydminister as far as special grains, he is right. The government is working with the industry to put a special act in place to cover those, the peculiarities and specific requirements there. There was some concern that we do it in Bill C–51 but the general feeling was that there were some things in this bill that we could and should do and get out of the way rather than holding all those things up. I see the member is nodding his head yes, get those done and then work with the special crops people to look after their needs which are otherwise there.

As far as Motions Nos. 7 and 8 are concerned, again I find the comments from Reform Party members confusing. It seems that if members of that party have questions on something that has happened in agriculture they do not like, the first person they turn to is the Minister of Agriculture and Agri–Food and ask: ''Why did you allow that to happen? It is in your ministry, your department. Why did you allow that to happen?''

What we are asking here and what it does is it gives the minister the final say, the governor in council. The minister would have an opportunity to comment on it. It gives the minister the final say on these types of actions and that is where the responsibility is going to end up.

The intention is not to get into the day to day operations of the commission. If there are questions, these things will have had to be approved by the minister and the governor in council. This will enable the answering of questions the Reform Party seems to be in the habit of asking the minister as to why he allowed something to happen. It gives the minister the opportunity to review those types of decisions before they happen.

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, I have just a few short words on these amendments.

Motion No. 3 proposes to allow people who operate a primary or process elevator or who carry on business as a grain dealer without being licensed under this act to apply to the commission to be exempted under paragraph 17(b) of the act. In effect it sets out a class that is not particularly well defined which may apply for exemption under the Canada Grain Act. That is probably rather dangerous for us.

We would probably be better to await a specialty crops act and deal with these kinds of issues properly. There is the possibility for the kind of anomaly that was raised by our friends from the Bloc. One of the large players might decide to opt out. It would make the whole marketing practice that Canada has been engaged in since the turn of the century very suspect.

What we have now is a system where product identification is absolutely secure. It is guaranteed in Canada. This is one of the tools that Canada has used for almost 100 years to break into markets. We are the quality product. We have made Canadian grains similar to what the Mercedes Benz is to cars.

We have to take some care in allowing people to opt out. I am sure that McDonald's would not permit some of its franchisees to opt out and still go on selling Big Macs. We have not designated with this opting out process whether Canada No. 1 can still be sold as Canada No. 1 even though there is a disclaimer on the bill of lading saying that the dealer did not comply with the Canada Grain Act. Customers are not going to understand this. It is only going to reflect badly on all Canadian farm produce. We would be just as well to stay away from it.

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

(1320)

The Deputy Speaker: The question is on Motion No. 3. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: The recorded division on the motion stands deferred.

The next question is on Motion No. 7. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: A recorded division on the motion stands deferred.

Mr. Vic Althouse (Mackenzie, NDP) moved:

Motion No. 6

That Bill C–51, in Clause 25, be amended

(a) by replacing line 16, on page 12, with the following:

''84. (1) Except with the written permission of'';

(b) by adding after line 24, on page 12, the following:

''(2) Except with the written permission of the Commission or in accordance with prescribed terms and conditions, no public carrier shall transport grain unless it has first been weighed, the dockage established and the quality designated.''

He said: Mr. Speaker, technically this motion divides what is now section 84 in the act. The bill we have in front of us proposes to amend section 84 in the act into subsections (1) and (2). In clause 25 of the bill before us now it would become subsection 84(1) and we would add a subsection (2) which would read:

(2) Except with the written permission of the commission or in accordance with the prescribed terms and conditions, no public carrier shall transport grain unless it has first been weighed, the dockage established and the quality designated.

There are two reasons for this. One is to make it easier to track grains that might be subject to bankruptcy procedure and as well to look forward to the new technology which is now being introduced into western Canada. It is the portable elevator which is a very large tandem truck with two units behind it. It has the ability to weigh grain as it goes in. The truck driver does the dockage testing and provides a grade. It makes certain that particular process which some companies are now engaged in is done in a way that provides the kind of paperwork transactions that will protect the producer.

The prospect of watching 2,000 bushels of flax or peas walk off the farm maybe to disappear without the proper paperwork in the event that particular grain dealer turns out to not have been properly bonded is not one a farmer looks forward to. This attempts to address that by requiring these kinds of operations to do the same paperwork as elevators do.

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, I would like to make a few comments on Motion No. 6. The purpose of this motion is to add to transportation requirements for grain being shipped out of Canada the stipulation that unless an exemption has been provided for under the act which is already available, that the seller of the grain, the farmers in most cases, be provided with documentation stating the weight, dockage and quality of the grain. That is the intent.

(1325)

There is a concern no doubt that when farmers load their trucks, as the hon. member just explained, not knowing the grade, the weight and the dockage then they are trusting that the people at the other end will give the proper payment for the commodity. That is a concern. Who would like to see a truckload containing $10,000 or $20,000 worth of commodity in extreme cases going out of the yard and not knowing exactly what they are going to be paid for?

However, I believe this amendment does not provide a solution. Instead, for farmers and businesses that are operating in this way with pickups on the farm or by producer cars, dealer cars, rail cars, it would make it very difficult if not virtually impossible for them to operate.

While I would like to know that every time farmers are shipping a load of grain off the farm they know they are getting paid for it, if we look at the practicalities it just is not possible. We have to recognize that. For that reason I oppose the amendment.

[*Translation*]

Mr. Jean–Guy Chrétien (Frontenac, BQ): Mr. Speaker, the purpose of the motion standing in the name of the hon. member for Mackenzie is to add standards for public carriers. It would prescribe that grain carried by a public carrier must first have been weighed and cleaned and its quality designated.

According to the Canadian Grain Commission, no amendment is necessary since this is already being done in most cases and always when grain is destined for human consumption.

As a result of the proposed amendment, smaller producers who ship feed grain would see their costs increase unnecessarily. If there had been complaints that the quality of feed grain was below acceptable levels, the motion would be justified. Since that is not the case, at least as far as I know, I do not think it would be useful to oblige producers to spend more on precautions that are absolutely unnecessary. If most of these producers happen to use private carriers and the motion therefore does not affect them, it will then have no effect at all, since public carriers would only carry grain for human consumption.

According to the Canadian Grain Commission, this grain is already cleaned and weighed and its quality designated. So we have their guarantee that grain for our own consumption is

being handled in the way specified by the hon. member for the New Democratic Party.

Furthermore, if small producers also have to conform to these procedures, their costs will go up, although we have no reason to believe they should be more regulated than they already are. And if they use private carriers, they will not be affected.

I therefore fail to see the relevance of the motion presented by the hon. member for Mackenzie. That is why the Bloc Quebecois will not support the motion, since all wheat for human consumption is very well regulated and perfectly safe.

(1330)

[*English*]

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri–food, Lib.): Mr. Speaker, I will say at the outset that the government does not have any intention of supporting the motion. I will give a few of the reasons for it. There is no question in my mind that what is said in the motion is a bit confusing versus what may or may not be its intent.

It would have a definite impact in the industry of slowing down the movement of grain whether transported by truck, producer car or dealer car. Therefore it would increase the cost to producers, which is certainly not the intention of the government.

At the present time the weight, the grade and the dockage content of grain delivered by a producer or dealer car are immediately determined at the unload. That is the system. To have to do that as the car or truck is being unloaded would certainly slow things up and add a cost. It would also put an additional obligation on the public carriers to have with them at all times the documentation on the grade and dockage. It would shift some of the responsibility to public carriers for having the documentation available at all times.

In practical terms, the motion would mean that when a truckload of grain to be delivered to a local feed mill was loaded by the producer on the farm it would have to be graded. The dockage, the weight and everything would have to be with it to take a load of grain to a local feed mill. That would be absolutely unnecessary. It would be cumbersome. It would slow everything up and be expensive.

We do not intend to support the motion.

[*Translation*]

The Deputy Speaker: Is the House ready for the question?

Some hon. members: Question.

The Deputy Speaker: Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

Some hon. members: On division.

(Motion negatived.)

The Deputy Speaker: The House will now proceed to the taking of the deferred division at the report stage of the bill now before the House.

Call in the members.

And the bells having rung:

The Deputy Speaker: Pursuant to Standing Order 45(5)*(a)*, I have been requested by the chief government whip to defer the division until a later time.

[*English*]

Accordingly, pursuant to Standing Order 45(5)(a), a recorded division on the motion stands deferred until tomorrow at 5.30, at which time the bells to call in the members will be sounded for not more than 15 minutes.

SUSPENSION OF SITTING

Mr. Boudria: Mr. Speaker, I rise on a point of order. I seek unanimous consent to suspend the sitting of the House until 2 p.m.

[*Translation*]

The Deputy Speaker: Is there unanimous consent to suspend the sitting of the House until 2 p.m.?

Some hon. members: Agreed.

(The sitting of the House was suspended at 1.35 p.m.)

SITTING RESUMED

The House resumed at 2 p.m.

STATEMENTS BY MEMBERS

[*English*]

SENIORS

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, Guelph—Wellington is enriched daily by the contributions of our seniors. We can all learn from their experience and are fortunate to have many seniors as important members of our communities.

Unfortunately as time passes, it becomes more and more difficult for some seniors to care for themselves and each other

in their homes. I congratulate organizations like Meals–on–Wheels, the Victoria Order of Nurses and Life Line that are active throughout Guelph—Wellington and that help our seniors stay in their homes for as long as possible.

Growing old should not mean having to leave the family home. Governments at all levels should encourage our seniors to remain in the family home where memories and stability provide comfort and support. We owe them no less than this.

* * *

[*Translation*]

SEXUAL HARRASSMENT

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, an Ontario judge has ruled that General Motors Corp. did not act properly when it fired a supervisor for using offensive language and making sexual innuendos in the presence of five subordinate female employees. According to the judge, sexually explicit language was the norm in the GM security service.

Members of the Bloc Quebecois are concerned about the implications of such a decision on present and future cases when they go to trial. This decision implies that sexual harassment cannot be invoked when the culture of a given service or company allows this type of behaviour.

In 1987, the Supreme Court of Canada clearly established, in the Robichaud case, that employers are responsible for sexual harassment in the work place. The decision of this Ontario judge reduces the scope of the Supreme Court decision, and we find that regrettable.

This decision is a step backward in our fight for zero tolerance of sexual assault against women. We must oppose it.

* * *

[*English*]

LEADER OF THE OPPOSITION

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, I rise today to pay tribute to the hon. member for Lac–Saint–Jean and to say on behalf of my caucus how pleased we are that he is recuperating.

When I arrived at Edmonton International Airport on Thursday evening I received the news of his frightening illness. I was stunned, as were all Canadians. I lay awake almost all night thinking of him, praying that he would live through the night and that the doctors treating him would have real wisdom.

I will always remember the years that the Leader of the Opposition and I sat side by side in the House, from the summer of 1990 until the election of 1993. We talked about the birth of his two sons, Alexandre and Simon. His eyes would light up when he spoke of them, of the incredible joy they have brought to him and his wife, Audrey.

This disease ravages those whom it affects. Mr. Bouchard's life has been spared and it seems nothing short of miraculous.

Good luck, Lucien. We continue to pray for your recovery. God bless you.

* * *

ETHANOL

Mr. Gar Knutson (Elgin—Norfolk, Lib.): Mr. Speaker, the recent trade mission the government led to the People's Republic of China has been a great success.

One of the agreements signed by Canadian business while in China was the building of an ethanol plant. The people of China will benefit greatly from ethanol. So will the environment of Asia, Chinese farmers and industry. This technology can also benefit Canada.

The proposed ethanol plant to be located at Chatham, Ontario will ensure that this country does not have to rely on foreign produced ethanol and, as in China, our agricultural industry will be able to count on a stable consumer of corn.

Ethanol makes economic and environmental sense. I praise the Chinese government for showing interest in this technology.

* * *

CANADIAN WHEAT BOARD

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, the Canadian Wheat Board is a winner.

Prairie farmers have overwhelmingly demonstrated their confidence in the Canadian Wheat Board by electing 10 strong supporters of the agency to its 11 member advisory board. They have rejected the efforts of a small but vocal group that wanted to weaken the board and implement a dual marketing system. Their vote was a sweeping endorsement of the board and single desk selling.

It is a recognition of the outstanding job that the wheat board has done selling Canadian grain, expanding export markets and working with farmers to make Canada a world leader in agricultural production.

The message from farmers is clear. The future of Canadian agriculture must include a strong Canadian Wheat Board.

* * *

ST. LAWRENCE SEAWAY

Mr. Roger Gallaway (Sarnia—Lambton, Lib.): Mr. Speaker, a recent subcommittee report highlighted our under usage of the St. Lawrence seaway system.

It is my hope the justice department will approve the proposal submitted to it by interested operators to allow cruise ships to sail the lakes. With 14 million Americans within a one–hour

drive of my riding I would welcome approval to allow them to enter Canada to enjoy the pleasure of sailing the lakes.

This is an opportunity for the federal government to see a tidal wave of American tourist dollars enter Canada, with a resulting spin–off being increased employment in our hospitality industries.

Skagway, Alaska with a population of 700 people welcomes 300,000 people each summer from cruise ships. Ports of all sizes along the Great Lakes would welcome the same level of prosperity if timely approval is given.

The Great Lakes Conference of Mayors recognized the potential of this industry more than a year ago. I urge the departments of justice and finance to move this concept to the approval stage quickly before our American neighbours control this industry.

* * *

[*Translation*]

SOCIAL PROGRAM REFORM

Mr. Benoît Sauvageau (Terrebonne, BQ): Mr. Speaker, yesterday, in Montreal, 200 students and unemployed young people came to tell the Minister for Human Resources Development how deeply disappointed they were by the social program reform the Liberal government is trying to impose on them.

These young people, full of energy and eager to work, denounced the cynicism and lack of action of the minister who claims that he is powerless to stem the rising unemployment rate.

These young people strongly criticized the reform which is trying to save money at their expense, going ahead without the provinces' consent, and turns a deaf ear to Quebec's demand to take over manpower training.

These young people refuse to have imposed on them a reform which endangers their future and cuts social benefits hard–won by previous generations. The results of the public consultation are loud and clear: the proposed reform is unacceptable and young people reject it.

* * *

[*English*]

REGIONAL DEVELOPMENT

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, the business community is near consensus. The Canadian Federation of Independent Business declared its research consistently shows that small and medium sized businesses advocate the complete elimination of all grants and subsidies to businesses and associations. Yet the Liberals continually insist they are helping small business through regional development.

The Business Council on National Issues had but one suggestion for the federal government: ''Just say no''. The Canadian Aerospace Industry said: ''We have seen attempts to create pseudo–competition by region in this county by pitting companies against each other supported by tax dollars. This has resulted in wasted energy, misguided marketing, lost opportunity, squandered money, and all too frequently, failed enterprises''.

If the minister will not eliminate regional development he might as well amalgamate the regional development programs. He could then create a new crown corporation called ''Pork Barrel Incorporated''.

* * *

(1405)

INFRASTRUCTURE PROGRAM

Mrs. Jane Stewart (Brant, Lib.): Mr. Speaker, recently in my riding of Brant, we have witnessed a successful and important example of intergovernmental co–operation.

The town of Paris has recognized that its police station is outmoded and can no longer effectively meet the town's needs. Meanwhile, Canada Post, while continuing to serve the rural and urban residents of the area, has been under utilizing its large building in the downtown core.

After successful negotiations, the town of Paris and Canada Post have reached an agreement under which the town will renovate the old post office into a new and modern police station with the help of infrastructure money, which I might add is another product of intergovernmental co–operation. Canada Post will find a more suitable and cost–effective location to continue its service to the town.

I would like to congratulate the council of the town of Paris and in particular, Mayor Bawcutt, for identifying and implementing this common sense deal. I would also like to recognize Canada Post for its effective resource management and its commitment to the betterment of our local communities.

* * *

POST–SECONDARY EDUCATION

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I was delighted to see a draft memorandum of understanding between Nunavut Arctic College, which is based in Iqaluit, and Trent University in Peterborough. It provides for the development of mutual accreditation of courses, exchanges of faculty, students and staff and the development of other joint programs.

It also provides for the participation of the Nunavut Implementation Commission, Nunavut Tunngavik Incorporated and other bodies in the development of post–secondary education in Nunavut.

Trent has the longest established native studies program in Canada. Many students from the NWT have already studied in that program and other programs at Trent University.

This new agreement formalizes two–way co–operation. I congratulate those involved and look forward to working with the member for Nunatsiaq on projects related to the agreement.

* * *

GUN CONTROL

Ms. Marlene Catterall (Ottawa West, Lib.): Mr. Speaker, on November 21 my colleague, the member for Cape Breton—The Sydneys, spoke eloquently in the House about the importance of gun control to women.

He pointed out that a woman is shot to death every five days in Canada, half of those by a partner, 78 per cent with legally owned weapons.

I believe that most members of Parliament want to see an end to violence against women and yet offhand comments in the House and elsewhere call into question our commitment. As the Parliamentary Secretary to the Minister of Justice spoke on that day, another member, like a little boy playing with a pretend gun, said: ''pow, pow, pow''.

Such comments are a tragic betrayal of the hopes of women for a better and safer country.

* * *

[*Translation*]

LEADER OF THE OFFICIAL OPPOSITION

Mr. Gilles Duceppe (Laurier—Sainte–Marie, BQ): Mr. Speaker, after hours of anguish, we learned with tremendous relief that Lucien Bouchard was out of danger. We now hope that he can rest and recover at his own rate.

Speaking for the parliamentary wing of the Bloc Quebecois, I want to thank everybody and the members of this House for their fantastic messages of support and encouragement.

I also want to express our admiration for the Saint–Luc Hospital medical team, for its unbelievable expertise and dedication. Finally, on behalf of all of us, I want to stress the courage and composure of his wife, Audrey, who stood by his side every minute of this terrible tragedy, surrounding him with her loving presence. She, too, deserves all our admiration.

[*English*]

REGIONAL DEVELOPMENT

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, Canada must stop the folly of regional policy. The Liberals continue their borrowing ways and the pork barrel rolls on and on. It is time to jump over the barrel.

Canada could learn from experiences around the world where these programs have failed miserably. The government knows regional development programs are doomed to fail, yet the practice continues.

The finance minister's budget will be quite telling. Will it be business as usual or will the minister heed the Reform message? Western economic diversification has not diversified the western economy. The Atlantic Canada Opportunities Agency is not creating opportunity. The Federal Office of Regional Development is not developing regions in Quebec.

Since their inception, these agencies impoverished the Canadian taxpayer to the tune of about $1 billion a year. It is time to end the folly of regional policy.

* * *

(1410)

[*Translation*]

LEADER OF THE OFFICIAL OPPOSITION

Mr. Patrick Gagnon (Bonaventure—Îles–de–la–Madeleine, Lib.): Mr. Speaker, I would like to take this opportunity to wish the Leader of the Opposition a speedy recovery.

Setting aside partisan rhetoric and the constitutional differences of opinion that oppose us, all my colleagues from the Liberal Party join me in telling the Leader of the Opposition that he is in our thoughts as he goes through what must certainly be the most difficult time of his life. We also wish his wife, children and family the courage to see him through this ordeal.

The words of support that flood in from all parts testify to the great parliamentary qualities of the Leader of the Opposition.

On behalf of all Canadians, I wish for the speedy return of the Leader of the Opposition among us, here in this House.

* * *

[*English*]

VIOLENCE AGAINST WOMEN

Mr. Ron MacDonald (Dartmouth, Lib.): Mr. Speaker, tomorrow marks the anniversary of the Montreal massacre.

Today I will not talk of the increased incidents of violence against women reported, nor will I talk about how only 18 per cent of the guns used to kill women were illegally owned.

Instead today I would like us to take one minute to remember the women who were killed that day. We remember the killer's name, but the women are faceless to most of us and just a number, 14.

Tomorrow I would like us to take a minute to remember, Geneviève Bergeron, Hélène Colgan, Natalie Croteau, Barbara Daigneault, Anne–Marie Edward, Maud Haviernick, Barbara Maria Klucznik, Maryse Laganiere, Maryse Leclaire, Anne Marie Lemay, Sonia Pelletier, Michèle Richard, Annie St–Arneault, Annie Turcotte.

Violence against women is not just a women's issue. Violence against women affects all of us.

* * *

HEALTH CARE

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, a serious issue of women's health has yet to be addressed by the government and that is the question of breast implants.

This issue was raised during the mandate of the former government and continues to be a serious issue related to the health of women.

Several organizations across the country of breast implant support groups have been formed and have been asking for assistance to make sure information is available to women who have had breast implants, that there is equal access to surgery for removal of breast implants and access to good primary care.

I call on the government to address this serious women's health issue, to respond to these groups that are requesting assistance and to look into the moratorium on breast implants which has not seen an end of their use.

* * *

TOWN HALL MEETINGS

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, I have just completed a series of town hall meetings across my riding of Simcoe Centre.

My constituents attended so they could discuss the issues, ask questions and give me their input. A survey was conducted at each meeting and I would like to share the results with the House.

Over 90 per cent responded that they believe there should be mandatory AIDS testing of all immigrants to Canada. There was overwhelming support for the review of social programs and that they be focused on those who are truly in need. Over 90 per cent want section 745 removed from the Criminal Code to eliminate possible early parole for those convicted of first degree murder. They also believe that the names of young offenders convicted of serious crimes should be made public.

On the issue of gun control, my constituents believe that the primary emphasis of new legislation should be placed on the criminal misuse of firearms and firearms smuggling and not new restrictions on legal gun owners.

Finally, I believe that I should represent my constituents and vote according to their wishes. I encourage all other members of the House to do the same.

ORAL QUESTION PERIOD

[*Translation*]

MIL DAVIE SHIPYARD

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, by refusing to take a firm stand on the Hibernia contract issue, the government has made another move which, combined with the actions of the Minister of Transport and the Minister of Industry, will lead MIL Davie straight to disaster.

(1415)

We learned over the weekend that the Minister of Industry had been keeping secret for more than a year a report on Canadian shipyards that urged the government to depend only on a small number of shipyards and drop MIL Davie.

In light of the unfair treatment of MIL Davie by the Hibernia consortium and the failure of the government to follow through with the Magdalen Islands ferry contract, does the Deputy Prime Minister recognize that all the actions of her government are being dictated by this secret report to the Minister of Industry, which has the MIL Davie slated for closure?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, first of all, before answering the hon. member's question, let me say that I was relieved to learn that the Leader of the Opposition was on his way to recovery. In the months to come, he will have to exhibit incredible strength, something we all know he is capable of, and we wish him much courage in getting better. Knowing the Leader of the Opposition—he is a real fighter—we are confident that he will return quickly.

[*English*]

In the name of all Canadians I would wish the Leader of the Opposition a very speedy recovery. The whole of Canada was watching the events of the last few days. Our hearts go out to him and to his family. We wish his speedy return to the House.

Some hon. members: Hear, hear.

[*Translation*]

Ms. Copps: To answer the question, Mr. Speaker, of course the government of Canada, through the Prime, has expressed disagreement with the policy adopted by the Hibernia consortium. We are aware of the possibility and support tendering. Unfortunately, we are dealing with a private sector consortium that is entitled to make its own decisions and, in spite of the views expressed by the government of Canada, it has decided not to proceed to a call for tenders, as we felt would have been proper and fair.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, we asked the Minister of Industry several questions in this House on saving the MIL Davie shipyard.

Are we to understand from the answers of the industry minister, who has always hidden behind the lack of an MIL Davie business plan to avoid facing his responsibilities, that what he really wanted was to follow up on the secret report he has been hiding in his department for over a year, which proposes closing MIL Davie, and that the minister lacks the courage to say so frankly?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I wonder if the hon. member is big enough to admit, first of all, that MIL Davie's shareholder is responsible for announcing its position on the MIL Davie corporate plan submitted by the former Quebec government. That is first and foremost the shareholder's responsibility. That is what I said several times.

Yes, there was a report. That is no secret. The *Financial Post* obtained it on request. That is normal. That is the position of someone who was a consultant. That is not necessarily my position or the government's. Moreover, if MIL Davie wants to succeed, it must do so on global markets. That is what I said several times here.

[*English*]

For any company to succeed in the modern marketplace it must produce goods at a price the world is willing to pay to acquire them. That is first and foremost for any company the responsibility of its management and its shareholders to determine.

When we hear the point of view of the Quebec government on the MIL Davie business plan, when we know whether its unions are willing to support it, perhaps then we can respond accordingly to any further request we have on their behalf.

(1420)

[*Translation*]

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the minister knows full well that some contracts were necessary to allow MIL Davie to reorganize. Instead of acting as his responsibilities called for, the minister has always hidden behind the lack of so–called business plans.

Are we to understand that after demanding that Quebec make 90 per cent of the efforts to rationalize shipyards in Canada, the federal government's only goal, after closing the Sorel–Tracy shipyard and the Vickers shipyard in Montreal, is to close Quebec's third major and last remaining shipyard, MIL Davie, so that the shipyards in the Maritime provinces can survive?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, maybe using statistics for demagogic purposes is a good strategy. In fact, Quebec's share of shipyard rationalization is 30 per cent. Please, Mr. Speaker, let us stick to the facts.

Second, I wish to say to the hon. member that it is not a matter of hiding. I think it is essential for a company seeking help from the taxpayers in Canada and Quebec to have a good corporate plan that has been approved by shareholders and workers alike. At that point, we can make a move with MIL Davie.

[*English*]

I cannot understand why the member is not willing to say that we have to find a long term solution. If he would look at the business plan that has been presented, he would understand the business plan does not claim that the long term solution to MIL Davie is one contract turned over from anybody. The long term solution involves fundamental readjustment of that company to a new marketplace.

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[*Translation*]

SOCIAL PROGRAM REFORM

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development. Yesterday, the Minister of Human Resources Development greatly disappointed the young unemployed people who had come to discuss his reform of social programs with him. A participant asked him: ''Where are these jobs? Tell me; I am ready to work''.

Why does the minister have nothing else to offer young people who want to work, who want real jobs, than a so–called reform whose main purpose is to make cuts at their expense? They will be the second–class unemployed. They will have to go into debt to pay their tuition fees, which will double. Why?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as the hon. member should know, last Friday Statistics Canada released its latest job report. It pointed out that for the first time in six years the jobless rate had dropped to below 10 per cent; in fact it is 9.6 per cent.

Much more important, in the last 11 months 414,000 full time jobs have been created. That is the fastest growing job rate of

any industrial country in the world. The unemployment rate for young people dropped a full two percentage points during the same period of time.

We are living up to our commitment to create jobs. If the hon. member would go back to her own riding and look at it, she would see that the job rate dropped over the past 11 months by 3.1 per cent. It is now below 9 per cent. That is real job creation.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, I am sure that the Minister of Human Resources Development is not pleased that 1,364,000 people are still without work, not counting all those who are looking for work and are not declared as unemployed.

(1425)

Does the minister admit that if he had wanted to do just one thing to help create jobs, he should have reduced unemployment insurance premiums in September, when he knew that the fund had ten times as much as he wanted when he promised to reduce UI premiums: $2.7 billion compared to $240 million?

Young people would have benefited the most from these new jobs.

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the fact is that on January 1 the premium rate on unemployment insurance drops down to $3 per hundred. We have already taken the step we committed to in the last budget and the premium rate is coming down.

While the hon. member is exaggerating a number of figures, I remind her that she should recognize at the end of this year the cumulative deficit for the UI fund will be over $3 billion. Until we get that cumulative deficit down, because it is a real drag on the economy, we will not be in a position to make changes. By the time of the next budget I am sure we will be in a position to have a better report or a better analysis. In the meantime we have to move to get that $3 billion deficit out of the way.

* * *

GOVERNMENT OF CANADA

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, one of the promises in the red book was for more transparent government. I have not read the fine print but I do not think that meant government leaks.

Today the industry minister's orange paper takes it place with the GST report, the HRD green book, the justice minister's action plan on gun control and the defence white paper. All were conveniently leaked to the media before the official announcements were made. The government's complete disregard for Parliament reinforces fears of Liberal arrogance.

My question is for the Deputy Prime Minister. Why is the government showing such disdain for the House of Commons and what is it doing to end these leaks?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I assure the hon. member that it was out of a desire to present the next paper in our series of papers on the economy that I decided to make the presentation in the House of Commons this afternoon, which I will be doing immediately following question period.

For that matter, I want the hon. member to know that there is no obligation either under the rules of the House or otherwise to make such a presentation in the House. I want to assure him that we will be very interested in hearing his support for a plan which should help build a more innovative economy.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, the government totally missed the point.

The problem is that leaks are occurring and they are unprecedented. Leaks to the media must be at the top of every government communications plan. The government leaks like a badly fitting diaper. The government is making a mockery of the House of Commons with every proposal it produces. While opposition MPs are sworn to secrecy and they are stuck in departmental lockups, Liberal spin doctors are out descending on the media like locusts.

My supplementary question is for the Deputy Prime Minister. Are these leaks part of a deliberate communications strategy on the part of the government?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I have a certain amount of experience with fitting diapers. We always preferred the reusable rather than the disposable in our household.

I assure the hon. member it would be of very great concern if information were leaked that could either affect the markets or could lead to somebody prospering inadvertently or indirectly. In the case of the information I have seen published as a result of these documents having reached the public domain, no such case will occur.

I assure him that the participation of members of Parliament in discussion coming from the proposals we put forward in the action plan is of great importance to us.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I could quote instances when the Liberals were on this side of the House and they condemned the government for leaks. They are promoting more leaks that are far worse than the previous government did.

Time and time again they place political strategy ahead of parliamentary procedure and have shown no respect for the House.

(1430)

They seem to think that polls give them a blank cheque to do as they please. I have news for this leak infested government. Reform MPs are tired of its arrogance and it is starting to wear thin on Canadians too.

Will the government investigate this process of leaking proposals and reports before they are even tabled in the House? Will it take the appropriate and necessary action?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the point is being missed here. Most of the matters I have seen reported in the newspapers today were matters which were debated and discussed in various fora over quite a number of months. In many ways what we see today is the culmination of many months of consultation, of discussion and of thought which have been engaged in among members of Parliament as well as in the House.

I know the member is concerned about this because he recognizes the strategic importance of this document. I hope for that reason he will take the opportunity afforded to him to study it, to read it, to make further suggestions. I believe it plays an important part in the gradual unfolding of an active government policy on economic development in Canada.

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[*Translation*]

SOCIAL PROGRAM REFORM

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

More than two months after he tabled his working paper on social program reform and two weeks before the public consultations end, the minister has tabled only four of the nine technical papers that are to lay out the directions of his plan. This delay suggests the worst, especially as far as education and welfare are concerned.

In view of the urgency of making all the relevant information public, so that a real debate can take place on this reform which will directly affect millions of Quebecers and Canadians, how does the minister justify this delay?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I believe the rest of the papers will be tabled publicly within the next 10 days.

[*Translation*]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, does the minister not agree that this delay and the lack of information in the papers already tabled, as the Auditor General pointed out, are because the minister has gone ahead with this reform blindly, just so that he can make the cuts required by the Minister of Finance?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, that may be the case but I just read a large scale national survey this week. It showed that 96 per cent of Canadians believe major changes have to be made in social policy. It may be that the hon. member does not understand but 96 per cent of Canadians are in favour of what we are doing.

* * *

GOVERNMENT SPENDING

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, my question is for the Minister of Industry. It appears the industry strategy seems to be one of shuffling money around, not reduction in spending. Yet this morning the Minister of Industry stated on ''Canada A.M.'' that his departmental budget would be reduced by as much as 50 per cent by the end of the third year. That is two years from now or less than that.

Can the minister tell us specifically what will be cut?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I will not disclose that. As the member knows we are involved in an ongoing process of program review which is in effect, as the Prime Minister announced in September in Quebec City, a basic review of each and every program in every department and agency of the Government of Canada from bottom up.

I believe this review is important. It is a vital part of our own plan in order to achieve our objective of reaching 3 per cent of GDP as the level of the deficit by the third year of the mandate. In the industry department we are prepared to make the changes that, as the member indicates, will result in an overall budget decrease of almost 50 per cent by the third year of the mandate.

(1435)

Mr. Werner Schmidt (Okanagan Centre, Ref.): Mr. Speaker, that is exactly the answer I expected the minister to give.

I think it is about time that we get down to some specifics rather than these generalizations. It has been very clear that Canadian business has said the best way for government to create a competitive environment is to reduce taxes. Yet there is no such statement in the industrial strategy.

Why will the minister not make a definitive commitment to reducing taxes?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, because one of the happiest days of my life so far was the day I was told I was not Minister of Finance.

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[*Translation*]

CANADA LABOUR CODE

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

On September 19, here on Parliament Hill, the minister promised Ogilvie Mills workers that, by December, he would table amendments to the Canada Labour Code, introducing anti–scab provisions. Yesterday, the minister reneged on his promise, giving as a pretext that his department was preparing another bill on pay equity.

How can the minister justify his about–face regarding the need to introduce anti–scab provisions in the Canada Labour Code? How can he justify his about–face, except by an obvious lack of political courage?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, no, it just means that we are doing a very thorough job of consulting with business, labour unions and other parties that would be affected. We are trying to do a major rewrite of labour codes. I have assigned the assistant deputy minister for labour to undertake that process. He is busily engaged at the present time reviewing the various aspects and a fairly broad based set of proposals. As soon as that is ready we will present the appropriate legislation to the House of Commons.

[*Translation*]

Mr. Bernard St–Laurent (Manicouagan, BQ): Mr. Speaker, how can the minister justify his refusal to table a bill before Christmas by saying that there is not enough time, when all that is required is a few amendments to the Canada Labour Code?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the hon. member should know that it is not as easy as that. Certainly our experience over the last several months is that when we table amendments the members opposite usually hold up that legislation for weeks and months on end.

I have asked our assistant deputy minister to make sure that we have a very carefully assessed, very carefully judged set of reforms and proposals to make to the labour code.

As the Minister of Industry put in his paper today, the reform of the workplace, reform and modernizing our whole labour relations is the key to economic growth and development. Therefore we want to make sure that we do it right.

The Speaker: I would encourage all of us to listen to both the questions and the answers. It takes time to both pose and answer but I would ask you to curtail both the questions and the answers.

* * *

SMALL BUSINESS LOANS

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, the government is reported to be increasing the total value of loans it guarantees under the Small Businesses Loans Act to $12 billion, an increase of 300 per cent. The program now loses about $100 million a year.

Would the Minister of Industry tell the House why taxpayers should underwrite Canadian banks by assuming liabilities that should properly fall to entrepreneurs and banks, not taxpayers?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, there are really two questions there. The first one is why should there be a Small Businesses Loans Act program in the first place. The answer to that is very simply that the primary reason for getting loan capital to many small businesses is to provide some government guarantee, thereby offsetting the fact that many small businesses lack the security they require in order to otherwise borrow from the banks.

(1440)

In answer to the question about subsidies, I would like to assure the hon. member that we are proposing changes to the SBLA program and further review which will move that program to one which is fully cost recoverable because I agree with him that it should not be an indirect subsidy to the banks.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, the business community and banks cannot be blamed for taking advantage of government largess. If we are dumb enough to give it to them they are going to be smart enough to take it. We have to put a stop to it.

We do not have a revenue problem in our country. To paraphrase a colloquialism, which is not intended to anybody in this House certainly, it is government spending stupid that we have to get under control. It is those three or four words.

The business community has time and time again told the government to reduce the tax burden on business and individuals. What specific measure has the Minister of Industry taken that will reduce government spending which will in turn reduce

government borrowing which will in turn reduce interest rates and taxes?

Hon. John Manley (Minister of Industry, Lib.): Let me say, Mr. Speaker, that I am sure the member will agree with the thrust of the document which we will be tabling today. It does recognize the fact that the key to continued economic growth and job creation is going to be the private sector and that it is important for government to do as much as it can to stay out of the way of the growth and job creation potential of the private sector.

That is how we intend to move the economy forward so that as the cycles go up and down overall we see a general gain in employment levels as well as in productivity and the economy. That is the key to it.

Do we need to reduce spending? Yes, we need to reduce spending. That was the purpose behind the consultation process that my colleague, the Minister of Finance, launched in this House and in the finance committee a few weeks ago. It is toward that end that we will be working in this February's budget.

* * *

[*Translation*]

BOVINE SOMATOTROPIN

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Minister of Health.

The Director of the Bureau of Veterinary Drugs at Health Canada, who is currently on leave without pay, is lobbying MPs, on behalf of a group of private drug companies, regarding the virtues of bovine somatotropin.

Does the minister realize that this paradoxical situation in which her department finds itself, with a senior civil servant responsible for the Bureau of Veterinary Drugs now acting as a lobbyist for drug companies interested in marketing somatotropin?

[*English*]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, the person in question is on leave of absence without pay and as such has not been involved at all on the file having to do with BST.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, does the minister realize that such leniency in dealing with this unacceptable situation completely destroys the credibility of Health Canada with the public and with the dairy industry, as well as her own credibility as minister responsible?

[*English*]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, as I already said, the person in question is on leave of absence without pay, is employed by another centre at this time, is not speaking for Health Canada and has not been involved in the BST file.

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[*Translation*]

THE ECONOMY

Mr. Raymond Lavigne (Verdun—Saint–Paul, Lib.): Mr. Speaker, my question is directed to the Minister of Human Resources Development.

Most of my constituents are very pleased with the numerous signs of economic recovery, including the slide in the unemployment rate. Many, however, especially young people and women, remain concerned about their future. What steps does the minister intend to take to ensure that the benefits of this recovery are enjoyed equally by all Canadians.

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as members will recall, last spring we introduced a major program for youth employment which sponsored in particular major internship programs in which we would work with the private sector and educational institutions to sponsor on the job training programs for young people.

(1445)

Up to this point the program has only been working for four or five months. Already close to 10,000 young people have enrolled through private sector arrangements to help them with that major problem of school to work transition. It is our aim by next year to have close to 60,000 young people enrolled.

I believe the new wave of the future is to bring business, government and education into partnership to provide better opportunities for Canadian youths.

* * *

REGIONAL DEVELOPMENT

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, my question is for the Minister of Industry.

Business leaders and academics and most recently the *Globe and Mail* have called for the end of regional development agencies across the country. The Minister of Industry has one industrial strategy yet other ministers have another strategy.

How does the Minister of Industry explain the obvious contradictory messages being sent out? While he says that regional development programs do not work, his colleagues are handing out over a billion dollars a year to repeat defaulters,

huge corporations that do not need the money, lobby groups and friends of ministers. Which one of these incompatible ministers are we supposed to understand?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, not only have I not made the statement the member alludes to but I would say to him that he has made a startling allegation and it is incumbent upon him to provide facts, dates, numbers and names. We will be happy to look at them.

Let me say also that a key component of an economic development strategy has to be one that recognizes the differences that exist among and between the regions of this country. We have a very large country with quite a varied economy.

The role played by the federal government in understanding the differences among regions, in meeting the needs and requirements of sectors as diverse as those in natural resources as well as those in the manufacturing and new advanced technology sectors is one which requires a great deal of co–ordination across government. That is what we are endeavouring to do.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, I could have retracted one statement because these people do not have too many friends.

We are releasing a report this week on regional development which showcases the government assisted gravy train which is off the tracks.

The Minister of Industry is on record as opposing massive grants and subsidies to businesses. Therefore, what assurance can he give the business community and Canadian taxpayers that he will fight the difficult decision among the ministers of goodies who have two different messages coming out, one from two ministers of goodies and another from the Minister of Industry?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, let us try to keep some perspective on what we are trying to accomplish here.

The member will know the concern I have about assistance to business is that it be very strategic in target. That is in line with the strategy other ministers who have responsibility for economic development are pursuing.

As the member will know, we need to make sure our investment in economic development is strategic. It is targeted and focused. It recognizes the need to recognize those sectors in which high risks are prominent, in which other countries are providing assistance to their businesses, in which the markets for goods and services being produced are international and therefore subject to the discipline of international marketplaces.

Those are criteria that apply to regions. Those are criteria that apply to sectors. We have been very consistent in seeking to put our assistance to business programs on that kind of footing.

[*Translation*]

SITUATION IN BOSNIA

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, my question is directed to the Minister of National Defence.

Yesterday in Budapest, the Minister of Foreign Affairs said that we should give the search for peace in the former Yugoslavia a last chance and that he used the expression ''last chance'' because he thought an agreement was not far off. Meanwhile, the Bosnian Serbs still refuse to listen to reason and accept the peace plan proposed by the majorpowers, including the United States and Russia.

(1450)

Could the Minister of Defence tell us what grounds his colleague at Foreign Affairs has for being so optimistic, at a time when the Bosnian Serbs still refuse to accept the peace plan proposed by the contact group?

[*English*]

Hon. David Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, in Budapest the Minister of Foreign Affairs was stating the obvious and I believe a position all Canadians would support. That is that this country believes the only way out of the terrible tragedy which is unfolding in the former Yugoslavia is through a negotiated settlement.

The Minister of Foreign Affairs was expressing that optimism. I hope the hon. member shares it. If he does not I would like to hear the alternative from him.

[*Translation*]

Mr. Stéphane Bergeron (Verchères, BQ): Mr. Speaker, I am sure we would love to share the optimism of the Minister of Foreign Affairs. Could the Minister of Defence indicate what the Canadian government intends to suggest at the meetings of the CSCE that would help revive negotiations and lead the Bosnian Serbs to finally accept the proposed peace plan?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, this morning, the Prime Minister himself stated the importance of a negotiated peace. There is also the fact that at this very moment, 55 Canadians are still being detained in Bosnia, and I think that, following the release of 53 Dutch and British soldiers, we first want to ensure the release of our soldiers over there.

That being said, their release is expected to be imminent, and the pressure is being kept up at all levels, including the CSCE, the UN forces and all international means, as the Prime Minister did this morning.

[*English*]

WESTERN ECONOMIC DIVERSIFICATION

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, my question is for the Minister of Industry.

The Department of Western Economic Diversification has loaned $670 million to companies in the four western provinces since the Tories invented the department. Only about 25 per cent of those loans are currently being repaid. Many experts predict that the default rate will be in the 40 per cent range.

Given that the minister has publicly stated he is not in favour of massive subsidies and that he said earlier today that he favours private sector development, is he prepared to admit that regional development programs are not effective ways of enhancing Canada's economy?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, first I would like to say to the hon. member that both his facts and his assessment are wrong.

We have made major changes in western economic development so that we are not giving large grants to large businesses. We are now providing basic assistance to firms with under 50 employees so that we can help them deal with some of the challenges in the export market, such as meeting quality testing and other kinds of requirements.

I will give one example. A few months ago we were able to assist with a very small grant of $200,000 the Vancouver based firm Northstar which allowed it to secure a $30 million line of credit with one of Canada's major banks so that the firm could provide export financing for small business. Since then the firm has already had 2,000 applications for financing of small business export development around the world.

It seems to me that was one very good investment that will help thousands of western Canadian companies secure new markets. The hon. member should get his facts straight.

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, speaking about facts, perhaps the minister could get his facts straight. One good investment out of $1.2 billion worth of regional funds is not good enough in this country.

Since the Minister of Industry will not answer the question, my supplemental is for the Minister of Human Resources Development. There is a world of difference between entrepreneurs taking risks with their own money and taking risks with other people's money, especially when it is the taxpayers who will have to pay the interest on the borrowed funds and the defaulting loans.

What does the minister consider as an acceptable level of risk from his Department of Western Economic Diversification as it continues to flush taxpayers' money down the drain? Where is the rest of the justification on the $1.2 billion?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, if the hon. member knew anything about the way the program worked rather than just repeating a bunch of mythology and garbage he has heard from other people he would realize that most of the money is coming back by repayable contributions. Western economic development recycles money back into business so we can create jobs. I understand the Reform Party is not interested in jobs, it is not interested in employment and it sure as hell is not interested in western Canada. I can tell you that.

* * *

(1455)

TRADE

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, the Minister for International Trade has pushed very hard for Chile to join NAFTA. He visited Chile last January and he has made numerous speeches on the subject.

Can the minister explain why he believes it is in Canada's interests to have Chile join a free trade agreement?

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, the question is entirely topical in that we do hope to make some real progress on the accession of Chile to NAFTA at the Miami summit of the western hemisphere later this week.

There are three reasons. Principally while we urge and have continued to take a lead in urging the early accession of Chile to NAFTA, one is that Canada is a principal investor in Chile. We have already promised a $4 billion plus investment in Chile. The second reason is we want to counter the confusing network of trade rules that are becoming a problem for members of our business community as they develop their trade in the western hemisphere. The third reason is that we are in favour of open markets, market liberalization throughout the world and the step toward the integration of Chile in NAFTA—

The Speaker: Three kicks at the can and that is about it. The hon. member for Drummond.

* * *

[*Translation*]

BLOOD SUPPLY SYSTEM

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Health. On December 1, im-

portant elements in the report of the expert advisory committee on the safety of Canada's blood supply system were leaked to and disclosed by the media.

How can the minister explain to us, as mentioned in the report of the expert committee, the blatant lack of rigour in Health Canada's Bureau of Biologics, which has the huge responsibility of checking the quality of blood products and facilities at all 17 transfusion centres of the Canadian Red Cross Society?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, as you can appreciate, this is a very sensitive subject. This report is in the hands of the Krever Commission. I will not comment on this until the commission has held public hearings on this issue.

* * *

[*English*]

CANADIAN WHEAT BOARD

Mr. Leon E. Benoit (Vegreville, Ref.): Mr. Speaker, on Friday the results of the Canadian Wheat Board advisory elections were made public. It is not a surprise that less than 40 per cent of farmers turned out to vote for these largely symbolic positions. It is a surprise that leading up to this election Lorne Hehn, the chief commissioner for the Canadian Wheat Board, campaigned actively for a group of candidates who had a specific political agenda.

Does the minister of agriculture condone the fact that the chief commissioner who is supposed to be politically neutral campaigned actively during the advisory committee elections?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, to the best of my knowledge the chief commissioner and a number of the commissioners of the Canadian Wheat Board participated in public meetings during the fall. They discussed a broad variety of aspects pertaining to the marketing of western Canadian grain. To the best of my knowledge they were not actively involved in any campaign with respect to the election of the advisory committee to the Canadian Wheat Board. If the hon. member has any information to the contrary I would be happy to have it.

Mr. Vic Althouse (Mackenzie, NDP): Mr. Speaker, my question is for the same minister who has had a chance now to analyse the results of that same advisory committee election which demonstrated overwhelming support for pro–wheat board candidates.

(1500)

Since the sole support for dual marketing and the subsequent weakening of the board's powers is clearly seen to be limited to a small minority special interest group, what action will he take to protect and reinforce the ability of the board to act in the best interests of the vast majority of producers who support the board?

Hon. Ralph E. Goodale (Minister of Agriculture and Agri–Food, Lib.): Mr. Speaker, I have already indicated on a number of occasions that I will be providing the opportunity this winter for farmers to become engaged in a discussion about the marketing systems that they regard to be most appropriate and in their interest.

In the course of that kind of objective, reasonable, rationale dialogue, the respective merits of certain marketing systems will become obvious. I would imagine under the close scrutiny that public dialogue and examination gives, the Canadian Wheat Board will be able to demonstrate its merits very effectively.

* * *

TRADE

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, my question is for the Secretary of State for Agriculture and Agri–Food, Fisheries and Oceans.

The Prime Minister's recent trip to China secured trade opportunities and created wealth for our country. On the heels of this success, can the secretary of state tell the House what is being done and what will be done to promote Canada's fishing products in the far east?

[*Translation*]

Hon. Fernand Robichaud (Secretary of State (Agriculture and Agri–Food, Fisheries and Oceans), Lib.): Mr. Speaker, my colleague was certainly inspired by the Holy Spirit, since her question is quite timely.

[*English*]

I will have the honour of leading a Canadian delegation to China for the first ever China Fish Processing Expo on December 10–15.

Nineteen executives, representing 11 Canadian companies, will be participating in an attempt to forge closer links with the Chinese fishing industry and also explore business opportunities.

Furthermore, of 15 booths made available to participants outside China, 10 have been reserved for Canadian companies at that Expo. It goes without saying that Canadian participation is in keeping with the new spirit of closer ties between China—

ROUTINE PROCEEDINGS

[*Translation*]

GOVERNMENT RESPONSE TO PETITIONS

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

[*English*]

THE ECONOMY

Hon. John Manley (Minister of Industry, Lib.): Madam Speaker, under Standing Order 32(2), I am tabling a document, in both official languages, entitled ''Building a more Innovative Economy''.

I will have remarks to make apropos this document.

* * *

(1505)

[*Translation*]

JOB CREATION AND ECONOMIC GROWTH

Hon. John Manley (Minister of Industry, Lib.): Madam Speaker, before beginning my speech, I would like to join the Deputy Prime Minister, who spoke earlier, in wishing the leader of the opposition and his family a lot of courage on his way to recovery.

Today on behalf of my Cabinet colleagues, I am putting forward the next key part of the government's jobs and growth agenda. This plan introduces over 30 concrete measures involving ten Ministers and their departments ''to help create a climate where business can create more jobs for Canadians'', if I may quote the Prime Minister.

But before I turn to what we will do next, let us revisit where we were just over a year ago when this government took office.

[*English*]

We were faced with an unemployment rate when we took office of 11 per cent. Business confidence was volatile and consumer confidence was very low. After two years of a half–hearted jobless recovery, fewer Canadians were working and the economy was producing fewer goods and services than at the beginning of the decade.

As a government our first order of business was to work with other levels of government and the private sector to get the recovery moving. Our first weeks in office were characterized by decisive action, including the launching of the national infrastructure program. The reward for leadership and action has been a continuing rise in confidence and improvement in the overall economic conditions of the country.

Most important of all, more Canadians have jobs. Since taking office 414,000 jobs have been created by Canadians for Canadians. Only a year ago people were talking about unemployment rates in excess of 10 per cent to the year 2000. As of last Friday we broke the 10 per cent barrier and Canada's unemployment rate stands at 9.6 per cent. But the government believes it has to do better than just recover from the last recession.

The cycles of recession and recovery over the last three decades have shown some disturbing trends. Decade over decade average unemployment rates have risen, productivity growth has fallen and with it real incomes of Canadians have stagnated.

[*Translation*]

The time has come to reverse these trends. The time has come to get average unemployment rates down permanently. The time has come to increase productivity, thereby increasing real incomes. But you cannot do this simply by wishing or declaring it to be so. What is required is decisive action by government, wise investment by business and labour, and a new model of co–operation and partnership.

[*English*]

The government is taking decisive action. That is why we have launched a root and branch review of our social programs. That is why the Minister of Finance has set out a new framework for economic policy. That is why we are reviewing every program in every department and agency of the federal government. That is why the government is committed to reducing the deficit to 3 per cent of GDP, come hell or high water. That is why I am introducing Building a More Innovative Economy.

At the outset let me say that this plan will disappoint some. It will disappoint those who believe that government can and should do everything. That approach defined the success of economic programs by bigger budgets, not better government. That is an approach I reject.

This plan will also disappoint those who believe that the best thing government can do is nothing. That is not our view. We believe that economic leadership by government can contribute to economic success.

(1510)

The fundamental premise behind Building a More Innovative Economy is that it is the private sector, not government, that creates jobs. What government can do is to improve the climate for the private sector to create those jobs.

Where can good government make a difference? The first priority is building a healthier marketplace. Business needs better access to the financing required to help it grow. It needs a labour–management environment that is more co–operative, less adversarial. It needs fewer and more focused government programs. It needs regulations that makes sense. It needs fewer demands from government to fill out forms and shuffle paper.

Tomorrow the President of the Treasury Board will announce the details of our plans for regulatory reform and paper burden reduction. We will use the power of government purchasing as a strategic tool for small and aboriginal business development and growth. My colleague, the Minister of Public Works and

Government Services, will soon announce the details of this initiative.

Our second strategic priority is trade. The challenges here are crucial for all Canadians. For jobs, incomes and prosperity we depend more on trade than almost any other country does. Yet we are not the nation of traders that we could be.

[*Translation*]

That is why my first priority as Minister of Industry was to achieve Canada's first internal trade agreement—the beginning of a process that will bring down interprovincial trade barriers.

And that is why in the early days of its mandate, the government moved quickly and decisively to improve Canada's international trading arrangements both in North America and elsewhere in the world.

[*English*]

That is also why the Prime Minister has made international trade a personal priority. The recent Team Canada trip to China was an unprecedented success, showing how Canada can succeed in global markets when we work together. We will build on this momentum.

This plan introduces a variety of steps we will take to improve Canada's trading performance. For example, my colleague, the Minister for International Trade, will introduce measures to help develop globally minded businesses. Our challenge as a government is to equip more and more Canadian firms to win in the fiercely competitive international marketplace.

[*Translation*]

We will focus on support to small businesses that are entering export markets for the first time and target resources for exporter preparation.

We will improve export financing measures.

Taken together, these measures will quickly enable more Canadian firms to meet the challenge of international trade.

Also, a large component of our balance of trade accounts is in tourism. Tourism is big business in Canada and, for the last ten years, we have done a pathetic job promoting ourselves to the rest of the world. That is why last year, Canada suffered a travel account deficit of almost $8 billion.

[*English*]

That is why the Prime Minister announced we will be establishing a Canadian tourism commission to work with other governments and the tourism industry to be more aggressive in marketing Canada as a safe, beautiful and sophisticated destination, meeting the needs of almost every traveller.

(1515)

Our third strategic priority is infrastructure, both physical and intellectual. This is an area of comparative advantage over which we have control. In this area the government is working on several fronts. The Minister of Transport is producing a new direction for transportation in Canada to meet the needs of the 21st century. The Canada infrastructure works program is well under way and will create a further 65,000 direct jobs.

Today I am announcing that the government will proceed with phase II of CANARIE, the Canadian network for the advancement of research, industry and education. This commitment will accelerate progress on the Canadian information highway.

In addition, I am announcing a continuation of the SchoolNet program which will see all of Canada's 16,500 schools and 3,400 libraries connected to the information highway by 1998, a full two years before the target set by vice–president Gore for the United States.

Our fourth strategic priority for building an innovative economy is science and technology.

[*Translation*]

In the world today, virtually all product innovation is science–based, the result of research and development. And nothing is more important than product innovation for businesses to maintain and improve market share, thus contributing to economic growth and productivity.

[*English*]

Therefore, nothing is more important for jobs. I believe that no one will dispute the importance of the federal government's role in science, technology, research and development. The need to be more strategic and to ensure that our investment in this area supports Canada's social, economic and environmental goals led to the launching of a comprehensive science and technology review last June.

This review is nearing completion and will set the stage for a clear articulation of a renewed science and technology strategy for Canada.

[*Translation*]

Building a more innovative economy lays out specific initiatives to do just that: build a more innovative economy. My plan is a series of over 30 initiatives involving ten ministers and their departments—a truly government–wide effort in responding to the challenges of economic leadership.

[*English*]

It is not a panacea. Panaceas do not exist. It is a co–ordinated plan of action, responsive to the real needs of the private sector, a result of consultation, a commitment to a work plan and the accountability that comes with it.

The challenge before us is clear, to push the limits of this recovery and to achieve real and sustained jobs and growth. We will not decree an innovative economy. That simply means we must work together to build one piece by piece. I believe we can do that by acting together, by focusing on real results and by targeting our programs and reducing our spending to meet our deficit commitment.

We said in the red book: ''Dynamic economies constantly re–invent themselves and grow through innovation. Innovation and experimentation inevitably entail risk and the possibility of failure. It is the job of government not to protect entrepreneurs against all failure but rather to create the best economic conditions and institutions to allow entrepreneurs to get on with the job''.

Building a more innovative economy is a plan of action to implement this vision.

(1520)

[*Translation*]

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Madam Speaker, I would like to react today to the tabling of the industry minister's policy statement for his department.

Although this document has some good points, as we admit, we can only see it as a political document that seeks to make up for a non–existent substantive industrial policy; we were entitled to expect a substantive policy, given the state of the Canadian economy.

The statement refers to a plan of action for some thirty programs involving co–operation among ten or so departments. We already know that for some aspects of the announced action plan, some ministers will work together and we will only see the results in 1998, according to information we obtained for parts of the document. Some plans will only take effect in 1995, if then, according to conversations I had with people in the department.

We therefore think that this paper is premature, since the proposed new policies depend on other departments' policies which are not yet known or will come, very late, from consultations that are still incomplete and program reviews that are a long time coming.

We know very well that several key documents on social programs have not yet been tabled. How can the minister boast that his policy takes into consideration all that businesses need to achieve the desired growth? For example, the action to be taken by the Department of Public Works will not be known until 1995.

The minister wants to promote growth for small businesses by opening up government procurement and allowing companies to have access to what is available in terms of such procurement. However, we have no idea of where this will come from, nor when the action plan will be completed.

In the context of that growth, how will this access to government procurement for small businesses work? Will companies be allowed to register in some file? Will there be calls for tenders for professional or technical services? How will this plan work? We do not know. For companies, growth does not mean the same as development. Indeed, the growth of some companies does not necessarily promote economic development for a territory or a region.

Given these unknowns, we find it hard to understand why the minister is so quick to extol the virtues of his action plan and say that it meets an urgent need in the economy, and particularly a desire to develop small businesses, which will generate employment as everybody agrees.

The strategy for technological innovation is another example of the government's lack of global vision. Indeed, the minister is considering a technological innovation policy without knowing the results of the current consultations on research and development, which will only be completed in 1995.

The minister talks about consulting with partners. However, when you think of the information highway issue raised by Quebec, it is very hard to see the minister showing leadership, since his government is totally opposed to any dialogue on this issue.

How can the minister justify the existence of a true technological innovation policy while putting on the back burner the whole issue of research and development? By definition, innovation implies the search for new products and processes, so that companies are competitive in the international market. Otherwise, we obviously cannot talk about competitive businesses.

In his action plan, the minister proposes three strategic priorities: Support for small businesses, infrastructure and technology. As far as support for small business is concerned, the minister reluctantly proposes to maintain funding support through the Small Businesses Loans Act program. I say reluctantly since it is only because this program is mentioned in the red book that the minister has decided to maintain it, although without implementing the red book promise to get rid of personal collateral.

The minister is announcing that available funds will be increased to $12 billion because this program gets results. In itself, this is good news.

(1525)

This program is so popular that businesses register quickly. Small businesses are a well–known fact; they are dynamic, eager to innovate and expand. On the other hand, the minister is announcing that the program will have to be self–financing. This is what the government is seeking, to go and get back the money it loaned. I believe that to be its fundamental goal. In itself, it is laudable.

But if we compare that to what the Minister of Human Resources Development is suggesting when he says that access to credit will be made easier for students, we quickly understand the equation. To save public funds, the government is forcing individuals into debt. What is the impact of this on SMEs? Are they going to be pushed deeper into debt or will they really get help to start up or develop domestically or internationally?

Thus, without even conducting a cost–benefit analysis, which could have shown the efficiency of the program and indicated which policy was preferable with respect to tariffs, the minister is acting, in our view, as an amateur, increasing, without any consultation, the cost of financing SMEs. We can draw a parallel with the social reform whereby the government says that it will cut support to students, but they will be given the chance to go deeper into debt while the government sets up mechanisms to recover the loans it guaranteed.

I wonder whether this is a responsible way to behave for the government and especially the industry minister, in the present economic context. Although some people on the government side sometimes think we are the bad guys, I must congratulate the minister on announcing measures to reduce red tape.

Everybody is complaining and rightly so. Everybody agrees, every time you want to do something you have to fill out 16 different forms and send them all over. Therefore this is a good move by the government. Reducing red tape is something SMEs have been asking for for a long time in order to stop wasting time and resources. Imagine having to submit 119 pages of information to get $10,000. Finally we are giving SMEs what they have been asking for.

However, I would like to point out to the minister that we are here to promote a sovereign Quebec and I mentioned the information highway where the message to the minister was to open up to negotiation and co–operation. The minister did not open up, so I remind him that under our option, a level of government—the federal level—will disappear, thereby reducing red tape, inefficiencies and regulations often at cross purposes, making our industry much more efficient. This is a clear goal.

The government is continuously reminding us that we must create the atmosphere for growth in the high–technology sector. We agree. SMEs in that area represent the future of our industrial base. True, high–tech SMEs are creating the jobs of tomorrow and will be mainly responsible for our ability to maintain the high standard of living we need and must have.

It is therefore regrettable that the government would not propose any policy to stimulate their growth and, in particular, improve their financing. We must realize that these companies pursue speculative endeavours and have specific financing problems. Banks are seldom willing to finance technology and this brings me back to the role of government. It says it wants to recover its money, and it acts like a banker. We know what a bank does, it loans money when it is reasonably certain that it is secure. Precisely what the government is doing.

Yet, there are technological areas where risk is high. It is impossible to act like a banker in the sense that we cannot expect all the guarantees that a bank would normally require. That is obvious.

(1530)

If we really want to encourage the development of these businesses, we must provide ways to find more appropriate funding for them. In our dissenting opinion to the report of the industry committee we proposed extending the Small Businesses Loans Act in order to fund the working capital of all businesses. This would have made it possible to support the financing of small and medium size high–tech enterprises. Instead, this government proposes a piecemeal strategy with a program that would only provide exclusively for the financing of exporting SMEs.

Even the Canadian Association of Exporters recommended to the industry committee—and I do not know if the minister has heard about it—that the working capital of exporting SMEs be financed under the act. The government does not listen to the people involved.

As for infrastructure, the minister praises the transport minister's policy. We have seen what has been going on in that area up to now and we are not at all heartened. If this is an indication of what this government intends to do about transportation, we should expect the worst.

We believe that the national policy on airports, among others, is nothing but a disguised way to pass on the cost of regional transportation to municipal and provincial governments. This process had begun under the previous government and we already see costs being passed on to other levels of government.

Furthermore, the federal government has the nerve—and this is important because they did it in several departments—to keep the revenue from the national network of airports and use it to finance regional airport infrastructure while disavowing any responsibility for their operating costs. This is how the federal government wants to manage public property and public funds throughout Canada.

This is what federalism is all about. This is it. The federal government keeps the power even though it cuts funds and totally withdraws from the administration of services. As we were told, it does not have any choice, it is debt–ridden. It will have no choice but to turn to the provinces for help, and will be

unable to return the favour. The facts are really very simple. Everyone understands the situation.

The Minister of Transport is following a policy which jeopardizes some regional transportation facilities and will greatly increase the cost of transportation from region to region.

The information highway is the best example of the total lack of consultation and co–operation between the federal government and the provinces. As I said earlier, the minister is about to ask the CRTC to significantly change the regulations concerning telecommunications in order to facilitate the creation of this information highway, without even consulting the provinces. The information highway will have a major impact, as you know, on a great many areas, some under exclusive provincial jurisdiction.

In committee, we were very surprised to learn that the minister is going ahead with the information highway. But who will control the information to be found on this highway? Who will provide the information? One thing became clear in our discussions with officials from the Department of Industry, nobody has the answer to these questions. This issue has not been examined yet. It will be in the months to come. We are about to go ahead with the information highway without even making sure that its contents will be controlled and that there will be joint action with the provinces, which obviously have jurisdiction in this area.

Finally, I would like to address the issues of technology and R & D. The document tells us that Canada's effort in R & D is less than that of other G–7 countries. However, the Canadian government invests as much as its competitors in civilian R & D. This demonstrates how badly administered and inefficient the government's R & D effort is.

It is about time we thoroughly reviewed our involvment in R & D matters and adopted a true science policy for R & D. The government must be ready to question everything, to decentralize our technological efforts and to base our research laboratories outside Ottawa to take advantage of the scientific resources that are found across the country and make better use of them. This may create some synergy with the scientific research capabilities throughout Canada.

(1535)

To conclude, the document tabled by the minister is nothing but an incomplete policy statement, which contains many policies already announced by his colleagues and others that will be announced by 1998. Thus, to be able to put Canada and Quebec back on the prosperity track, we have to consider—

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the hon. member. I will now recognize the hon. member for Okanagan–Centre.

[*English*]

Mr. Werner Schmidt (Okanagan Centre, Ref.): Madam Speaker, it is a privilege and very exciting actually to be participating in response to the minister's statement. I think there were some very positive things said by the minister and I want to commend him for those kinds of things, particularly for the fact that he recognizes that there is a problem. The difficulty is that I am not quite so sure that he has a solution to the problem. This is where I think we have to focus our attention.

It is very interesting the way this particular paper has been presented to us. The first omission I find that really bothers me a lot is that there is no particular and no direct reference to the recommendations that were contained in the ''Taking Care of Small Business'' report by the Standing Committee on Industry.

There were many recommendations in that particular report that gave direct impetus to the kinds of strategic planning that ought to be done in the Department of Industry and in the government at large.

It became very clear during that particular discussion that there was a major gap in the recognition of the contribution that small business makes to the creation of jobs in Canada. It is true that there have been a number of new jobs created in Canada but for the government to take credit for this is not correct. The jobs were created by entrepreneurs and those people want to develop themselves.

I commend the particular suggestion that there is going to be a particular place for small businesses to enter into government procurement contracts, contracts that are $125,000 or less but larger than $25,000. It raises all kinds of interesting questions that my hon. colleague raised not so long ago when he spoke about a particular department other than the Department of Industry in which certain contracts were divided up into smaller components so that indeed they would not have to meet certain regulatory provisions.

Is this a possibility now that certain procurements may be made so that larger procurements will be broken up into $125,000 ones, or will that not be the case? Will others be combined? This not clear.

I want to pay particular attention to the Small Businesses Loans Act. That ceiling was increased from $4 billion to $12 billion. The Canadian Federation of Independent Business says that particular program is not working so well. This morning I heard the hon. minister say on Canada AM that small businesses liked it so much that they used it up right away, within 18 months of it having been increased.

The interesting thing is that banks have to a large extent used the SBLA to cover their particular risks, so that it became a subsidy to the banks. It is small wonder that with this kind of help the larger banks in Canada can show a combined profit of something like $4 billion. Is this the kind of thing that small business is supposed to be supporting, so that the big banks can

make big profits like that? The Small Businesses Loans Act had no small contribution to that particular sector.

That is not all. The other part of this is that there seems to be a suggestion that subsidies and grants to businesses create jobs. I submit to you, Madam Speaker, and to the minister and to this House that is probably false, that in fact when you have a subsidy which may create a job over on this side, it loses a job over on the other side because this business over here has to pay larger taxes, has to pay increased interest rates in order to subsidize that particular business over there. That is misleading if nothing else.

There is another thing that happens when you do this sort of thing. You divert investment from those businesses that are solid to those businesses that have some kind of artificial government support and shoring up.

(1540)

Business should be allowed to stand on its own feet. Where I commend the minister is where he says that the government should create an environment so that private businesses can succeed. I endorse that 100 per cent. I commend him for that statement. Now may he go ahead and prove that he believes that by taking away subsidies and grants for small business.

Much was made about trade and much was made about the imbalance in trade when it comes to tourism. There is a suggestion that some $100 million is going to be spent in the tourism industry, approximately $50 million for the setting up of a tourism commission, another $50 million from $15 million, so it is not quite the $50 million in addition, for a promotion budget that has been increased from $15 million to $50 million. That suggests more than a triple amount of dollars spent in promotion.

I ask the minister and the House whether they really believe that spending three times as much money will result in three times as many tourists coming to Canada and spending three times as much money than if that promotion budget were not there.

Madam Speaker, I suggest to you that there may be an increase but it will not be in direct proportion to the increase of public spending in that particular sector.

The minister said not too long ago and he states in his orange book that the solution is not in throwing dollars at a problem but rather to solve the problem. The best people to solve the problem are the entrepreneurs. They understand the business. They understand the marketplace. They know the value of the dollar. They know how to efficiently deploy those dollars. They know how to employ people. They know how to get good work out of people. Throwing dollars at the problem is not the answer. We need to recognize that applies in the tourism industry as well as in every other industry.

There has been a suggestion that the infrastructure program is a major innovative development in this particular strategic document that has been presented to the House. The infrastructure program that currently exists, I believe it is $6 billion on the one side and that is going to be matched by the provincial government and the municipal government, is a beautiful pot of money. It has become known in many quarters as boccie Canada, and builds boccie courts.

The infrastructure program needs to be recognized for what it is. It is a program that benefits particular places. I want to really commend the British Columbia government. So far I know of no instance, and there may be some since I last looked at the list, when the money has not been spent on bona fide infrastructure programs such as highways, bridges, water systems, sewer systems, things of that sort. That is significant but building boccie courts is not. Building canoe museums is not. These are the kinds of things.

I want to move into another area which has to do with the science and technology program. We have had a review this spring of the science and technology program all across Canada and we had the hon. secretary of state go across Canada holding various discussions with business people, interest groups, looking at what should be done in this particular area.

Three things became very clear. When they put together the summary forum which took place here in Ottawa in mid–October they came up with a bunch of round tables with some very high powered, highly trained, highly developed and intelligent people who made some beautiful statements. When I examine those particular conclusions and compare them with conclusions of 1940, 56 years ago, there are in many instances very few substantive differences between the problems articulated today and the problems articulated some 50 years ago.

(1545)

When a noted journalist put things together and compared the two he recognized, in particular when it came to the industrial application of the technological and scientific studies and R and D research that had been done primarily through government funding, that the minimal effect was industrial application.

Some $6 billion is being spent in that area plus $1 billion being spent on tax credits. That is a total of $7 billion. In this fall's statement the Auditor General said that we were not getting an effective resolution and application of those dollars. We were not getting the kinds of results we should be getting.

The time has come for us to do some new thinking, not to go through the old thinking and do it all over again. We know what the problem is. It is time we build a new innovative economy

that provides for the private entrepreneur the ability to make money and to give everybody jobs.

* * *

PICTOU LANDING INDIAN BAND AGREEMENT ACT

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.) moved for leave to introduce Bill C–60, an act respecting an agreement between Her Majesty in right of Canada and the Pictou Landing Indian Band.

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

* * *

AGRICULTURE AND AGRI–FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

Hon. Ron Irwin (for the Minister of Agriculture and Agri–Food, Lib.) moved for leave to introduce Bill C–61, an act to establish a system of administrative monetary penalties for the enforcement of the Canada Agricultural Products Act, the Feeds Act, the Fertilizers Act, the Health of Animals Act and the Meat Inspection Act, the Pest Control Products Act, the Plant Protection Act and the Seeds Act.

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

* * *

CRIMINAL CODE

Mr. Jay Hill (Prince George—Peace River, Ref.) moved for leave to introduce Bill C–293, an act to amend the Criminal Code (use of a firearm in the commission of or attempt at an offence).

He said: Madam Speaker, I thank my hon. colleague from Fraser Valley West for seconding introduction and first reading of the bill.

Today it is my pleasure to introduce the bill to the House. It will increase the minimum mandatory sentence for the use of a gun in the commission of a crime to five years.

Canadians are demanding stiffer sentences for the criminal misuse of firearms but the recently proposed four–year mandatory sentence of the justice minister is only restricted to 10 offences and is not consecutive.

He is merely introducing a minimum sentence for four years for these crimes, and with parole it may be less. Although the tougher sentences in his reaction plan are a step in the right direction the bill would go even further. It would make the minimum five–year sentence consecutive to any other sentence and would apply to any accomplices who had access to the firearm during the crime or attempted crime whether or not the gun was fired.

Canadians want deterrents and I believe the bill would provide some.

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

* * *

(1550)

PETITIONS

RIGHTS OF THE UNBORN

Mr. John Williams (St. Albert, Ref.): Madam Speaker, pursuant to Standing Order 36, I am honoured to present a petition on behalf of Susan MacDonell and 59 other Albertans, many of whom are my constituents.

The petitioners request that Parliament act immediately to extend protection to the unborn child by amending the Charter of Rights and Freedoms to extend the same protection enjoyed by born human beings to unborn human beings.

Not only am I pleased to present the petition but I endorse it as well.

VIA RAIL

Mrs. Rose–Marie Ur (Lambton—Middlesex, Lib.): Madam Speaker, I have the honour and privilege to table to two petitions signed by the constituents of Lambton—Middlesex, pursuant to Standing Order 36 and duly certified by the clerk of petitions.

In the first the petitioners are concerned about the future of VIA Rail passenger service in southwestern Ontario and call upon Parliament to urge the government to place a moratorium on any passenger rail cuts in the Sarnia–Toronto corridor.

HUMAN RIGHTS

Mrs. Rose–Marie Ur (Lambton—Middlesex, Lib.): Madam Speaker, in the second petition the petitioners pray and request that Parliament not amend the human rights code, the Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including amending the Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

[*Translation*]

VOICE BOXES

Mr. Jean–Guy Chrétien (Frontenac, BQ): Madam Speaker, it is with great pleasure that I give my support to two senior citizens' clubs in the beautiful riding of Frontenac, namely the Saint–Alphonse and the Saint–Maurice clubs in Thetford, which are opposed to the uncontrolled use of voice mail.

Since senior citizens are naturally more intimidated by voice mail technology and have a right to expect proper service, especially for enquiries concerning income security payments, we ask the Liberal government not to use voice mail for senior citizens.

I fully support the Saint–Alphonse and Saint–Maurice senior citizens' clubs from Thetford Mines.

[*English*]

GUN CONTROL

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Madam Speaker, I have a number of petitions that I have the pleasure of putting forth this afternoon. One petition deals with gun control.

EUTHANASIA AND ASSISTED SUICIDE

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Madam Speaker, I would like to present a petition in opposition to euthanasia or person assisted suicide.

CANADIAN WHEAT BOARD

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Madam Speaker, I would like to present a petition in support of the Canadian Wheat Board.

HUMAN RIGHTS

Mr. Bernie Collins (Souris—Moose Mountain, Lib.): Madam Speaker, I would like to present a petition in opposition to same sex couple benefits.

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I have several petitions I would like to enter, the first dealing with sexual orientation.

The petitioners pray and request that Parliament not amend the Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to indicate societal approval of same sex relationships or of homosexuality, including the amending of the Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation. There are 304 signatures.

EUTHANASIA AND ASSISTED SUICIDE

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, I have two petitions dealing with the topic of euthanasia, one with 242 signatures and the other with 93.

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

RIGHTS OF THE UNBORN

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker the third petition deals with the sanctity of human life. There are 305 signatures from my riding.

The petitioners pray that Parliament acts 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.

(1555)

IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Madam Speaker, the last petition deals with immigration levels. It has 128 signatures from various parts of the country.

The petitioners pray and call upon Parliament to reduce immigration to the previous average level of one–half of 1 per cent of the population, or about 150,000 per year, with the basic intake of not less than 50 per cent of the total composed of carefully selected skilled workers required by the Canadian economy and to bring our refugee acceptance rate in line with the average of other asylum destination countries.

I heartily agree with all petitions.

LIGHT STATIONS

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Madam Speaker, pursuant to Standing Order 36 it is my duty and honour to rise in the House to present a petition, duly certified by the clerk of petitions, on behalf of the constituents of Saanich—Gulf Islands.

The petitioners humbly pray and call upon Parliament to immediately revoke the directive from the Minister of Transport that proceeds with a detailed plan for a program of unmanning all west coast light stations and request a complete and thorough public inquiry in the province of British Columbia into the need for these manned light stations on the west coast.

EUTHANASIA AND ASSISTED SUICIDE

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, I am pleased to table in the House two petitions.

The first petition asks that Parliament ensures that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and that Parliament makes no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

I concur with the petition.

JAPANESE CANADIANS

Mr. Randy White (Fraser Valley West, Ref.): Madam Speaker, I have a second petition that respectfully requests that Parliament acknowledges, through compensation under a redress agreement, an injustice did occur when Canadians of Japanese ancestry who happened to be in Japan on December 7, 1941, were denied by the actions of the Government of Canada the right to return home until March 31, 1949.

JUSTICE

Mr. Bill Gilmour (Comox—Alberni, Ref.): Madam Speaker, pursuant to Standing Order 36 I am pleased to present the following petition which comes from all across Canada and contains 244 signatures.

The undersigned request that in memory of Dawn Shaw, a six–year old girl who was murdered in my riding of Comox—Alberni, this petition be brought to the attention of Parliament. The petitioners request that Parliament enact legislation to change the justice system to provide greater protection for children from sexual assault and to assure conviction of offenders.

I fully concur with the petitioners and endorse the petition.

GUN CONTROL

Mr. Peter Adams (Peterborough, Lib.): Madam Speaker, pursuant to Standing Order 36 I have a petition from more than 40 people living in the city and county of Peterborough.

The undersigned consider the present gun control legislation in Canada to be more than adequate. Therefore the petitioners humbly pray and call upon the Parliament of Canada to refrain from any further gun control legislation in the name of controlling crime that would be of no value and would constitute unjust harassment of a lawful gun owners.

HUMAN RIGHTS

Mr. John Finlay (Oxford, Lib.): Madam Speaker, it is my duty to present two petitions from citizens of Oxford.

The first one is signed by 25 petitioners and requests that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way that would tend to legalize, normalize or 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.

LAP DANCING

Mr. John Finlay (Oxford, Lib.): The second petition, Madam Speaker, is from 156 constituents. They request Parliament to ban lap dancing as understood, as such activity poses a potential fatal health risk. It may be compared to prostitution.

Exotic dancers may have to lap dance against their will or lose their chosen profession. Lap dancing devalues the essential worth and dignity of all people.

RIGHTS OF THE UNBORN

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): Madam Speaker, pursuant to Standing Order 36, I am presenting six petitions from my constituents in the riding of Wellington—Grey—Dufferin—Simcoe.

The first two petitions containing 120 and 467 signatures respectively call upon the government to amend the Criminal Code to extend to unborn children the same protection enjoyed by born human beings.

(1600)

HUMAN RIGHTS

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): The third petition contains 121 signatures and calls upon the government not to amend the human rights code in relation to the recognition of same sex relationships.

PARLIAMENTARY PRAYER

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): The fourth petition contains 59 signatures and calls upon Parliament to conclude the parliamentary prayer with the phrase ''through Jesus Christ, our Lord. Amen'' and reinstate the Lord's Prayer at the conclusion of the opening prayer.

ASSISTED SUICIDE

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe, Lib.): The fifth and sixth petitions contain 121 and 362 signatures respectively and call upon the government to ensure that the present provisions in the Criminal Code with respect to assisted suicides be enforced vigorously and make no changes to the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

* * *

[*Translation*]

QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Madam Speaker, I would ask that all questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Shall all the questions be allowed to stand?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Maheu): I wish to inform the House that, pursuant to Standing Order 33(2), because of the ministerial statement, Government Orders will be extended by 40 minutes.

GOVERNMENT ORDERS

[*Translation*]

CANADIAN ENVIRONMENTAL ASSESSMENT ACT

The House proceeded to the consideration of Bill C–56, an act to amend the Canadian Environmental Assessment act, as reported (with amendments) from the committee.

SPEAKER'S RULING

The Acting Speaker (Mrs. Maheu): There are four amendment motions on the Notice Paper for report stage of Bill C–56, an Act to amend the Canadian Environmental Assessment Act.

[*English*]

Motions Nos. 1, 2 and 3 will be grouped for debate but voted on as follows: Motion No. 1 will be voted on separately. An affirmative vote on Motion No. 2 obviates the necessity of the question being put on Motion No. 3.

On the other hand, a negative vote on Motion No. 2 necessitates the question being put on Motion No. 3.

[*Translation*]

Motion No. 4 will be debated and voted on separately.

[*English*]

I shall now propose Motions Nos. 1, 2 and 3 to the House.

MOTIONS IN AMENDMENT

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP) moved:

Motion No. 1

That Bill C–56, in Clause 1, be amended by adding after line 11, on page 1, the following:

''(b.2) to ensure that projects likely to cause significant adverse environmental effects or public concern are publicly reviewed through a process of independent decision making.''

Motion No. 2

That Bill C–56 in Clause 3, be amended by replacing lines 18 to 33, on page 2, with the following:

''(1.1) Where a report is submitted by a mediator or review panel, the responsible authority shall take a course of action consistent with the findings and recommendations in the report.

(1.2) Within 30 days of the public release of a report mentioned in subsection (1.1), the Governor in Council may, for the purpose of dealing with any or all of the findings or recommendations set out in the report

(*a*) require the mediator or review panel to clarify any of the findings or recommendations set out in the report; and

(*b*) substitute its own findings and recommendations for those of the report where it concludes that the findings or recommendations of the report are not in the public interest.

(1.3) Following a decision by the Governor in Council under subsection (1.2), the responsible authority shall take a course of action under subsection (1) that is consistent with the decision of the Governor in Council.''

(1605)

Mr. Bill Gilmour (Comox—Alberni, Ref.) moved:

Motion No. 3

That Bill C–56, in Clause 3, be amended

(*a*) by replacing line 22 on page 2, with the following:

''approval of the Governor in Council given by order in council, re–''; and

(*b*) by adding after line 33, on page 2, the following:

''(1.2) The order in council made under paragraph (1.1)(*a*) is exempt from the application of sections 3, 5 and 11 of the Statutory Instruments Act.''

Mr. Taylor: Madam Speaker, I am pleased today to rise to speak on the amendments, some of which I brought forward and one of which has been brought forward by a member of the Reform Party.

The amendment process of Bill C–56 that is in front of us today will give us a good indication of the seriousness with which the government wishes to approach the process of developing the best environmental assessment legislation that we possibly can.

A lot of testimony was heard before the committee studying the bill. Among that testimony were many clauses of the original bill that are not discussed under Bill C–56 today but are matters which require attention in any case. I am hoping that we will have some opportunity in the future to address some of the additional concerns that we are unable to deal with in this bill.

Also among the testimony of the witnesses before the committee were matters relating to the concept of an independent decision–making process. That is what the first amendments I proposed today deal directly with. First, these amendments ensure that the concept of independent decision–making is included in the section outlining the purposes of the act to make things perfectly clear. Second, they ensure that the decisions are consistent with the recommendations of the assessment panel and are treated seriously by giving the necessary authority to the responsible authorities.

The concept is not a new one. It is one that has already been recognized by the Liberal Party which, prior to being elected, made certain promises to the Canadian people in regard to the environment. These promises contained in the now famous red book include the following: ''Under a Liberal government the Canadian Environmental Assessment Act will be amended to shift decision–making powers to an independent Canadian environmental assessment agency subject to appeal to cabinet''.

In Bill C–56 the only amendments the Liberals have brought forward to the Canadian Environmental Assessment Act fail to create this independent decision–making body. In fact one could argue that they do almost the opposite because the government bill amends the act to give cabinet, referred to as the governor in council, the ability to amend the panel reports and then gives it

the final say on the panel report. Certainly cabinet cannot be considered an independent decision–making agency.

There are all too many examples where government departments and even ministers are the proponents of projects which would sooner see the recommendations of an independent assessment panel disappear than have them implemented. The possible conflict of interest with cabinet or between federal and provincial governments is altogether far too likely to go unaddressed.

On the other hand it is important to recognize that elected governments must be held accountable for their actions and they must be given the power to act when the interests of the electorate, the Canadian people, the citizens of Canada, need protecting.

I recognize that at the end of the day the government is responsible for its actions or the actions of those operating in its name.

Therefore in writing the amendment before us I have tried to establish the framework for independent decision–making, that is establishing the independence of the assessment panel.

(1610)

At the same time, I want to express my support for the concept of an appeal of this decision to cabinet. I tried to incorporate the idea of appeal into my amendment but it was ruled out of order by the legislative counsel before it appeared on the Order Paper. Therefore I had to rewrite my amendment in a way that would fit the needs of the legislative counsel rather than the needs that I really wanted to bring forward here today.

I was told that the idea of an appeal to cabinet was not consistent with the government's intent in Bill C–56, but I want the government to realize that although my amendments do not specifically allow for the appeal to cabinet of a panel decision or of a cabinet decision, I am willing to accept an amendment in the future, another bill that the government may wish to bring forward.

I am willing to accept an amendment that would incorporate an informal appeal process. It would be easy to do with reference to the fact that any person who participated in a mediation or a panel review in respect of a project could appeal to the governor in council any or all of the findings or recommendations set out in the report.

I want to make clear that accepting my recommendations today does not preclude a further amendment by government in the future to ensure that the appeal process exists and to give the protection that the government may think is necessary by government.

In the meantime, it is absolutely imperative that the legislation ensure the independence of the process. I think only the support of my motions today would ensure that. It is worth noting that the concept of independent decision–making is already accepted and practised in other areas of federal government activity.

Perhaps the best known example of the process, although it is somewhat different, there are similarities, exists within the mandate of the CRTC. It exists basically at arm's length from government. It issues orders that are basically binding on those applications that have been made before it.

However, there is an appeal process of sorts that allows the cabinet to make decisions on appeal. In the testimony heard during the committee study of the bill before us, officials from the Federal Environmental Assessment Review Office, FEARO, admitted that the current process requires that every decision of an assessment panel is not actually final until such time as the cabinet responds to it.

They also admitted that cabinet is not required to respond within any specific period of time. Therefore it is fairly easy to say that cabinet could take an infinite amount of time to respond to any report or any recommendations contained in a report from an assessment panel or from a mediation review.

We are already aware that cabinet, when it is not supportive of a panel decision or indeed parliamentary decisions, and I give the example of Bill C–13, the legislation that required more than two years to be proclaimed because of arguments received in cabinet over the regulations, as an example of how cabinet can delay matters for a long period of time.

Actually, the Indian lands claims process is also one in which cabinet has indicated that it is prepared to take its time on reviewing a decision that it is not altogether happy with. The Indian Land Claims Commission reported two years ago on the Canoe Lake Indian Band claim regarding the Cold Lake air weapons range. Cabinet is still sitting almost two years without responding to that recommendation of the commission.

We cannot allow that sort of a timeframe to elapse in regard to environmental assessment reports. Without going into any specific detail about how the two amendments that I have brought forward would work, let me simply conclude by saying that regardless of which path the cabinet wishes to take, the responsible authority is required within a short period of time to take a course of action consistent with the recommendations of the panel and, second, cabinet, if it has found the panel authority not consistent with the public idea, does have an opportunity to respond but the idea of an appeal is not within this amendment.

(1615)

Therefore, I would be very happy to hear what the government has to say about adding an appeal process to the motion I have put forward.

It is my submission that the bill fails to meet the test of an independent decision–making authority as promised by the government prior to the election. I urge support of the motions I brought forward to ensure that the independent decision–making authority exists within the new agency.

Mr. Bill Gilmour (Comox—Alberni, Ref.): Madam Speaker, I am pleased to put forward Motion No. 3 to amend Bill C–56. This amendment addresses clause 3 of the bill which amends section 37 of the Canadian Environmental Assessment Act. My amendment changes the decision–making authority on environmental panel reports from cabinet to order in council. That is the basic meat of it, changing it from cabinet to order in council.

Prior to Bill C–56, the decision to act on or reject panel recommendations was made solely by the Minister of the Environment. Bill C–56 broadens the distribution of power to include the governor in council, which basically means cabinet. However, this is still not strong enough.

Although the spirit of the government's amendment is to ensure that responses to public panel recommendations are decided by cabinet, it must be clear that cabinet, or governor in council, does not refer to cabinet as a whole.

Cabinet remains undefined. It could mean full cabinet or it could refer to only a few ministers. Cabinet may be many things. Cabinet can be simple and informal or it can be formal in the way of an order in council. Cabinet has many versions. For example, there are inner cabinets, outer cabinets and committees of cabinet.

The term cabinet is far too loose. As it stands, important environmental decisions could be controlled by two or three ministers with their own agendas. To avoid this potentially divisive situation, an order in council involving the full cabinet is required to ensure that all interests are fairly represented. The interests of one particular region will then be balanced by the representation of ministers from regions all across the country.

To ensure that decision–making is democratic, panel recommendations must be approved or rejected through order in council which means the cabinet as a whole, not just two or three ministers. This amendment reduces the likelihood that environmental decisions will be subject to the whims of any individual minister as government as a whole is responsible for actions on panel recommendations.

The amendment addresses concerns brought forward by the Liberals regarding the environmental assessment process. The Liberal red book states: ''The gap between rhetoric and action under Conservative rule has been most visible in the area of environmental assessment. All too often Conservatives have ignored the solid recommendations for environmental protection offered by public review panels''.

As it stands there is nothing in the bill to prevent a few cabinet ministers from rejecting panel recommendations. What better way to ensure that recommendations for environmental protection, brought forward by public review panels, are fairly reviewed and justly responded to than to make sure that the decision–making power is held by cabinet as a whole, not two or three ministers. This amendment directly addresses those concerns by limiting the discretionary powers of ministers.

It is my hope that hon. members on the opposite side will give serious thought to this amendment before they cast their vote. This is a fair and just amendment that will ensure a more democratic and balanced process of environmental assessment. It ensures the interests of the environment and industry are protected and works in favour of the best interests of all Canadians to ensure the continued protection of our environment.

I now wish to respond briefly to the proposed amendments to Bill C–56 brought forward by the member for The Battlefords—Meadow Lake.

In Motion No. 1 the member proposes to amend clause 1 of Bill C–56 by adding a subclause that strengthens the intention of the bill to ensure that projects likely to cause significant adverse environmental effects or public concern are publicly reviewed through a process of independent decision–making.

The Liberal red book promises that: ''Under a Liberal government, the Canadian Environmental Assessment Act will be amended to shift decision–making powers to an independent, Canadian environmental assessment agency subject to appeal by cabinet''. Yet nowhere in the act or proposed amendments contained in the bill is such independent decision–making powers granted to the agency. As it stands, the current intent of the bill is in conflict with the promises contained in the red book. There is no process of independent decision–making granted to the agency in the bill.

(1620)

As it stands, the agency provides for ministerial decision–making as Bill C–56 proposes to broaden decision–making to cabinet. However, there is nothing in the bill that allows for independent decision–making because recommendations are approved or rejected by cabinet. The agency attends the hearings, prepares its report and presents it to cabinet. Beyond that there are no powers granted to the agency. This proposed amendment will recognize the agency as an independent decision–making body.

I agree there are several advantages to having this agency at arm's length from the government, similar to the relationship of the CRTC and government, as proposed in the red book. This proposed amendment by the member for The Battlefords—Meadow Lake is in line with the Liberal red book and as such I

would expect the government to honour its election commitments and include this amendment, which I support, into the act.

The member for The Battlefords—Meadow Lake also proposed Bill C–56, clause 3, Motion No. 2 in the Order Paper, to make the panel or mediator reports binding to the governor in council. This proposed amendment requires the responsible authority to take a course of action consistent with the findings and recommendations in the panel report.

The amendment addresses the first amendment as it gives the agency independent decision–making powers. As I said earlier, I agree that the agency should have some independent decision–making powers. However, the proposed amendment would give the agency absolutely authority over decisions. There are some merits as well as some concerns with this proposal.

One aspect it recognizes is that panels and mediators have a far greater level of expertise regarding the issue than a review by cabinet. It also makes the final decision–making process more open to the public as panel reviews are open to the public, whereas cabinet meetings are not. The public is not privy to matters which guide cabinet decisions behind closed doors.

I agree that there are many benefits to granting decision–making powers to the review panel. However, I cannot support this clause which allows for appeal to cabinet. The government must be allowed the opportunity to intervene when necessary.

There will be occasions when the government will need to make decisions for political reasons, contrary to the review panel. Obviously this will not be a popular decision for which the government will undoubtedly take political heat. However, I feel the option must be open to the government. Therefore, I cannot and do not support this amendment.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Madam Speaker, I wish to speak to the three motions. First, Motion No. 1 from the member for The Battlefords—Meadow Lake, ensures that projects reviewed through a process of independent decision–making are instituted.

The member's suggestion is indeed interesting. However, he is adding words to an amendment which has been put forward to promote the concept of one project, one assessment. In this regard I suggest his proposal is out of place.

With respect to the intent of the member's suggestion, the government has put forward in Bill C–56 an amendment to section 37 of the Canadian Environmental Assessment Act which would ensure that projects are subject to public review through an open and transparent process. This amendment ensures that panel recommendations are reviewed and responded to by the governor in council, thus ensuring that not just one minister will respond to panel recommendations.

The government believes that this amendment, along with the creation of the Canadian Environmental Assessment Agency, will allow for decision–making which is as independent as possible, coupled with an open and transparent process in which all Canadians may participate. For this reason the government will not support this motion.

(1625)

Motion No. 2, moved by the member for The Battlefords—Meadow Lake, goes right to the heart of the cabinet decision–making process. The government has committed itself to ensuring that public reviews are carefully considered and responded to.

However to suggest that the governor in council be given a time limit to respond would unduly fetter the decision–making process of the federal government. It would as well not reflect the seriousness of the decisions in front of cabinet.

In some cases ministers may wish to respond quickly, or depending on the significance or complexity of the issue, the governor in council may well wish to take more time in its consideration of projects which are of national significance. The length of deliberations might also be influenced by stakeholders that in some cases may desire speedy responses or in others a more lengthy debate.

Further, as the member knows, the Canadian Environmental Assessment Act is progressively designed to encourage harmonization with the provinces. In this light many provinces do not have time lines and it would be inappropriate for the Government of Canada to impose them.

While we can understand the intent of the member's motion, we feel that the proposed amendment would unduly fetter decision–making and would contradict the careful deliberation that environmental assessment calls for. The government therefore cannot support this motion.

Finally, with regard to Motion No. 3, introduced by my colleague for Comox—Alberni, as was confirmed by the committee studying Bill C–56, the governor in council responses to public reviews will be and must be made by order in council. This is the way the governor in council works.

In this regard the member's motion is somewhat redundant and the government again cannot support its adoption.

[*Translation*]

Mrs. Monique Guay (Laurentides, BQ): Madam Speaker, Motions Nos. 1, 2 and 3 put forward today by our colleague from The Battlefords—Meadow Lake and Motion No. 3 put forward

by the hon. member for Comox—Alberni are amendments to Bill C–56.

First, I will remind you that the Bloc Quebecois will vote against Bill C–56 since this bill amends the Canadian Environmental Assessment Act which implements across the country an environmental assessment process that duplicates a process already existing in some provinces, including Quebec where there has been an environmental assessment process for more than 15 years now.

We have spoken against the enactment of this Act wich we consider to be unacceptable federal interference in provincial jurisdiction. We will have another opportunity to oppose federal interference in provincial jurisdiction on third reading of Bill C–56.

Let us look now at the motions from our colleagues. Motion No. 1 wants projects likely to cause significant adverse environmental effects to be publicly reviewed through a process of independent decision making. That amendment would be included in the purposes of the Act. It is hard to see what our colleague from the NDP is really getting at with this amendment. He should tell us more about this process of independent decision making. Should the body or agency making the decision be permanent or ad hoc? What would the administrative structure of such an agency be? Who would be on it? Who would pay? How would the recommendations or the reports of that body be handled?

Members of the NDP propose creating a new body which would only add to the list of existing agencies. In Quebec, we already have the BAPE, Bureau d'audiences publiques sur l'environnement. On the other hand, for those who support the imposition of the federal process—which we do not—the act provides for the establishment of the Canadian assessment agency, as well as opportunities to use a mediator or a review panel for major projects.

As you can see, there are already many authorities provided for in the act. It seems to us that the NDP motion wants to add more to that federal superstructure, but without saying specifically what that new independent authority will be.

(1630)

You will understand that we, in the Bloc, cannot accept this motion from the NDP. We have a firm fundamental position on this bill and nothing can change it. We will also vote against Motion No. 2 that was moved by the same member.

I would like to deal a little more with parts (1.1) and (1.2)(*b*) of the motion. Part (1.1) says: ''Where a report is submitted by a mediator or review panel—'' But what does the NDP do with the independent authority that it is proposing in its first motion? It is talking here about the report of a mediator or review panel. What about the independent authority report? Clearly defining structures does not seem to be a strength of the NDP.

I think that the NDP does even worse when it proposes, in clause (1.2)(*b*), that:

> —the Governor in Council may, for the purpose of dealing with any or all the findings or recommendations set out in the report
>
> (*b*) substitute its own findings and recommendations for those of the report where it concludes that the findings or recommendations of the report are not in the public interest.

I ask my colleague if the whole process that the federal government wants to implement and impose on the provinces is really to further public interest in environmental assessment issues. With this amendment, the NDP is telling us that the process as a whole is not important and that, in the end, Cabinet can impose its own decision in the public interest.

It is not reassuring at all, considering who influence our dear ministers. Lobbyists are certainly not the greatest champions of public interest and the environment.

Another major inconsistency in the motions of the NDP is that it is asking for an independent public review while giving the last word to the government. It is inconsistent and illogical to advocate these two things at the same time, that is, an independent agency whose recommendations will be submitted to a higher authority.

The NDP is not very clear and rigorous in its proposals. If what it wants is to give more power to the people, its two motions are not very convincing. They are pulling in opposite directions. The result is a draw, since it is impossible to answer yes and no at the same time.

Motion No. 3, presented by the member for Comox—Alberni, adds a reference to orders in council in clause 3 of Bill C–56. The bill only mentions the approval, or consent, of the Governor in Council, in a non–specific fashion. The Reform Party simply wants to specify how it will be done, by order in council. For us, this is merely specifying how they will go about it; it does not change Bill C–56 significantly.

Finally, we will not vote in favour of any of these motions. Bill C–56 and the Canadian Environmental Assessment Act are both unacceptable and the changes proposed by our NDP and Reform colleagues do not make them more acceptable to us.

Mr. Benoît Sauvageau (Terrebonne, BQ): Madam Speaker, I am pleased to speak on the amendments to Bill C–56 proposed by NDP and Reform members.

My comments will be similar to those made by my colleague for Laurentides, because, for different reasons, three of the motions cannot be approved by our party.

The first motion proposed by the hon. member for The Battlefords—Meadow Lake raises problems, as it says this:

''projects likely to cause— public concern are publicly reviewed through a process of independent decision making''.

The process of independent decision making causes problems, because it remains undefined. It is said that an independent process should give some directions, but the process itself is not defined.

(1635)

As far as environmental assessment is concerned, I wish to analyze some aspects, some government structures, mostly at the federal level, where these assessments are made. One must remember that each department, before implementing a project, must do an assessment demonstrating that it is not harmful to the environment.

Moreover, the Federal Environmental Assessment Review Office, FEARO, is about to be replaced by the Canadian Environmental Assessment Agency.

The bill provides for a mediator who will review, hold hearings, carry out consultations—an activity our Liberal friends are particularly fond of—and this mediator will make decisions as part of the environmental assessment process.

Such processes also exist at the provincial level, as my colleague from Laurentides pointed out earlier. In Quebec, the BAPE, or Bureau d'audiences publiques sur l'environnement (office of public hearings on the environment) conducts an environmental assessment which, by the way, is very serious and highly respected. My hon. colleague, who was Minister of the Environment, could attest to this.

The bill also provides for something that no one has objected to, a very good idea: environmental groups, which are concerned with the environment but, unlike industry groups, may not be able to afford to appear before committees and panels to express their views, would receive government funding to come and share their views with various committees. I think that this provision, and particularly the government funding granted to environmental groups—it is important to mention this because these groups will finally be given a chance to be heard—will facilitate public participation in the various environmental assessment processes.

I think that adding to the four or five existing environmental assessment organizations or agencies a fifth or sixth one, which would be this independent umbrella organization at the federal level, is going too far. It is difficult enough getting along as it is. As my colleague said earlier, they are pulling in opposite directions, so that putting the icing on the cake would not necessarily make sense.

As I said in my preamble, how does our colleague from The Battleford—Meadow Lake define ''independent organization''? That is very important because we can move in different directions with that.

At this time, Madam Speaker, I would like to give you another reason why we are opposed to Bill C–56. We see here that Clause 4(*d*) of Bill C–13 would allow the public to participate in the environmental assessment process. Bill C–56 also provides for the compulsory creation of a participant funding program, as I said earlier. So we see that the public is really involved in this.

As for Motion No. 2 providing that the Governor in Council may substitute his own decisions for those of the mediator, we find it somewhat unparliamentary and undemocratic, since we were elected to the House of Commons by the people. We have had responsible government since 1848 and we are here to make it work.

So the Cabinet could be asked to reject out of hand the work done by our environmental assessment agencies and impose its own decisions when the public interest is at stake. I submit to you, Madam Speaker, that this is not quite acceptable in a democratic society.

With respect to Motion No. 3 proposed by our Reform colleague from Comox—Alberni, we have a slight problem, as we have with three of the motions, in that simply adding by order in council would not amend the bill sufficiently for us to support Motion No. 3.

Decisions are made by the Governor in Council but it remains to be seen whether the government has the will to act on the environment; we seriously doubt it. That is why I support my colleague from Laurentides in opposing the three motions proposed to us.

(1640)

[*English*]

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 76.1(8), a recorded division on the motion stands deferred.

The next question is on Motion No. 2. Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

Some hon. members: On division.

(Motion No. 2 negatived.)

The Acting Speaker (Mrs. Maheu): The next question is on Motion No. 3. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 76.1(8) a recorded division on the motion stands deferred.

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP) moved:

Motion No. 4

That Bill C–56 be amended by adding after new subclause 5(2), the following new Clause:

''5.1 The Act is amended by adding the following after section 59:

''59.1 (1) Every regulation that is proposed to be made under section 59 shall be laid before each House of Parliament at least twenty sitting days before the proposed effective date thereof.

(2) Where, within fifteen sitting days after a proposed regulation is laid before either House of Parliament under subsection (1), a motion for the consideration of that House to the effect that the proposed regulation not be approved, signed by no fewer than fifteen Senators or twenty Members of the House of Commons, as the case may be, is filed with the Speaker of the Senate or the House of Commons, as the case may be, the Speaker shall, within five sitting days of the filing of the motion, without debate or amendment put every question necessary for the disposition of the motion.

(3) Where a motion referred to in subsection (2) is adopted by both Houses of Parliament, the proposed regulations to which the motion relates may not be made, and the proposed regulation shall be referred to the committee of the House of Commons that normally considers environmental affairs for further consideration.

(4) Where Parliament dissolves or prorogues earlier than fifteen sitting days after a proposed regulation is laid before both Houses of Parliament under subsection (1) and a motion has not been disposed of under subsection (2) in relation to the proposed regulation in both Houses of Parliament, the proposed regulation may not be made.

(5) For the purposes of this section, ''sitting day'' means, in respect of either House of Parliament, a day on which the House sits.''.''

He said: Madam Speaker, I am pleased to rise to speak to my motion in front of the House today. This is a motion that I have raised in this Chamber on one previous occasion. I am very pleased to have an opportunity to again try to convince the members of this House of the importance of dealing with public involvement in the regulatory process.

I should indicate to members and to those who are watching today from outside this Chamber that public involvement in decision making is something that I have always taken very seriously.

Although Bill C–56 in front of us deals to a certain extent with participant funding and individual participation within the process of environmental assessment, I was very anxious to include amendments as well dealing with participant funding, define more readily participant funding and also ensure that the agency in the legislation take more responsibility for participant funding programs.

(1645)

I found that the amendments I submitted for inclusion on the Order Paper for today were ruled out of order before they were printed, again because they did not deal specifically with the intent of the legislation before the House.

While we are dealing with the importance of public participation in the environmental assessment process I want to urge the government to do more to ensure a public participation funding program or an intervener funding program than has been done in the legislation in front of us.

The government responded in committee to the question of greater definition of public participation funding programs by stating that it will include guidelines and rules within the regulations that make the act operable. That and other reasons is what prompts the amendment on the table now.

What I am saying by moving the amendment is that the current regulatory process is inadequate, troublesome and lacking in public scrutiny. Members of the public and in fact the members of the House do not have the ability to examine in public, debate in public, discuss in public with a view to change, regulations once they have been dealt with, generally behind closed doors.

As witness after witness before the committee in the previous Parliament and before the committee in this Parliament indicated, it is the regulations which run the act and therefore the process, not the act itself. The regulations are as important as the act.

We have spent on environmental assessment legislation hundreds if not thousands of hours putting in place the proper wording for the legislation but we have not dealt at all with the regulatory process.

One of the witnesses before the committee, a man by the name of Brian Pannell from Winnipeg had some comments in this regard that I want to bring to the attention of the House before I proceed with my arguments. Mr. Pannell said: ''On the law list, the law list remains substantially deficient. I can tell you that this law list has been worked on for years and it has always been a struggle to be relatively inclusive of the real substantial decisions that should be on there and there are still many decisions that should be on there that aren't because there are many departmental interests that are served by not having them there and I don't see an early resolution to this process''.

The regulatory process takes place behind closed doors. Decisions are made about how the act will be run by people who study this very closely. To a certain extent the people in this regulatory process are doing a great job. The regulations are put in place and go before cabinet. Before those regulations can be published the cabinet makes decisions, makes deletions, makes additions, does whatever it wants to, not referring anything back to the regulatory development committee or whatever it is called, and the regulations are published. That is it. Everything is done and the operations of the act proceed.

Some time ago in dealing with the previous government's gun control legislation the government set a precedent by establishing a process by which regulations could be reviewed by members of Parliament. The government conceded, because the regulations concerned the addition of firearms that could be prohibited by order in council, not by debate, not by public discussion but simply by cabinet deciding that this or that firearm could be put on a prohibited list.

(1650)

In this case we have regulations that can decide the future of environmental assessment, the process, how the participant funding program is going to operate, who is going to get funding under participant funding processes, which projects will be reviewed, which projects will not be reviewed, who can appear before panel decisions, who can sit on panels and where they are going to operate. All of these details about the decision–making process that will eventually lead to recommendations on projects are dealt with under regulations. As members of Parliament we and the public have no participation in that process before, in the middle of or after it is completed.

The point I am making is fairly simple. We are asking that when the regulation process is complete and the regulations are on the table that we set aside a period of time when members of Parliament or members of the Senate can respond to those regulations. We can say to the country that we do not want these regulations to pass until such time as we have had a chance to look at them. These matters can then be brought before committees or dealt with in any way that the government wishes to have them dealt with. Should public scrutiny allow those regulations to go forward, they can.

The government loses nothing in this process other than the fact that some of the regulations and some of the regulatory process is under the scrutiny of members of Parliament, the Senate and therefore the people of Canada, if we are paying attention to the needs and the interests of the Canadians who are concerned about these matters.

I do not consider this to be a significant amendment in terms of what it means to the government achieving its ends. I do see it as a significant amendment in terms of allowing for greater public participation on the side of the question that really matters: the operational and administrative side, the regulatory side.

I urge the government to carefully consider its concern and its stated support for public participation in the process. By supporting this amendment it will bring greater clarity to the whole regulatory decision–making process.

Mr. Bill Gilmour (Comox—Alberni, Ref.): Madam Speaker, I am pleased to speak to Motion No. 4, the third amendment proposed by the member for The Battlefords—Meadow Lake. The proposed amendment relates to section 59 of the act which grants the governor in council authority to make regulations relating to environmental assessment and follow–up programs set up in the Canadian Environmental Assessment Act.

These regulations are an essential part of the act. They are the guiding principles which shape the environmental assessment process. Once again there is some merit to the proposed amendment but there are also many concerns which arise with this proposal.

Presently under the act, the regulations which guide the environmental assessment process are determined by governor in council which basically means the cabinet. Cabinet decides what the regulations will include. Members of Parliament

outside of the inner circle of government are excluded from the process.

The amendment to the bill proposes to address this concern so that the regulation proposed under section 59 would be laid before the House of Parliament. This would allow for a more democratic process in the development of these regulations and would allow members of the House to participate in the decision–making process as regulations are proposed.

The hon. member also proposes that regulations are presented to the House at least 20 sitting days before the proposed effective date. The time line of 20 days would ensure that members have adequate time to comment on regulations and proposed meaningful amendments where necessary.

My concern with this proposal is that it would slow down the process. I have concerns that if every regulation were brought forward, the process would be far too time consuming and would in fact be unworkable. Members need to participate in decision making but this suggested amendment would grind the House to a halt.

(1655)

For these reasons I cannot support and therefore oppose the motion.

[*Translation*]

Mrs. Monique Guay (Laurentides, BQ): Madam Speaker, we recognize that Motion No. 4 put forward by the hon. member for The Battlefords—Meadow Lake definitely has some merit. While it will not gain our full support, it is far from worthless. It has the advantage of applying the concept of transparency to one of the most fundamental aspects of the Canadian Environmental Assessment Act, the regulations made under the Act.

I would like to remind my colleagues that on October 6, the Minister of the Environment announced in this House that the Act would be proclaimed and that its regulations would soon be published in the *Canada Gazette*. These regulations are actually one of the many shortcomings of this federal legislation. They confer great power and allow the federal government to give a wide application to its environmental assessment process, without any regard for assessment processes already established by the provinces.

The federal regulations have a major impact in Quebec. In view of the great power the federal government has seized to initiate federal assessments, as provided under the regulations, most projects covered by Quebec regulations are likely to be subject to the federal regulations also. Clearly, two processes could be undertaken for the same project, unless, of course, there was a bilateral agreement between the province and the federal government. So far, I think that only one province has signed such an agreement with the federal minister.

Federal regulations on environmental assessment reinforce and give further extension to the Act. That will lead to a duplication of assessment processes, an inability to meet deadlines under provincial processes, the possibility that provincial decisions could be challenged, some uncertainty and hesitation by developers in submitting projects owing to the dual assessment process and the subsequent decisions, a waste of time and money, the possibility of legal challenges for the results and decisions, if the two assessments reach different conclusions. These are serious consequences of regulations made under the Act.

Since the minister refused to amend her legislation to specify that provincial procedures, and more specifically those in Quebec, are comparable to the federal process and equally valid, so that projects subject to Quebec regulations would be subject only to provincial procedures, we now have two sets of procedures, which is very costly and very confusing for all concerned.

The federal legislative process is opaque to the point of being secretive. Regulations are churned out without any genuine debate by members. They are published and easily pass consideration by the Committee on Scrutiny of Regulations, without anyone being able to challenge the basis for certain regulations. The process makes absolutely no sense at all and is also dangerous because these regulations are often vitally important.

In this particular case, the regulations of the Canadian Environmental Assessment Act mostly duplicate Quebec's regulations. It is most unfortunate that no Quebec members had a chance to look at these regulations before they came into force. It is also unfortunate that members have had absolutely no say in this respect. We find the same situation—not a very democratic one, in my opinion—with all other bills debated and voted on in this House. We can see the bills and study them clause by clause, but we never have that opportunity with the regulations.

If the NDP motion is adopted, it would have to be part of the general procedure for proposed legislation, so that at least elected members would be able to discuss draft regulations before they become official.

We support the main purpose behind this motion. However, we object to including the senators in a process to prevent the approval of draft regulations. The Senate consists of non–elected individuals, appointed strictly on a partisan basis. These are patronage appointments, and these friends of the government cost us $53 million.

(1700)

As I said before, the motion's purpose, which is to give us a chance to examine the regulations and to amend or reject them,

is entirely valid. The legislative system should make it possible for members to intervene in this area.

Therefore, I move, seconded by my colleague the hon. member for Terrebonne:

That Motion No. 4 be amended:

(*a*) in sub–clause (1), by replacing the words ''each House of Parliament'', with the following:

''the House of Commons'';

(*b*) in sub–clause (2),

(i) by replacing the words ''either House of Parliament under subsection (1), a motion for the consideration of that House'', with the following:

''the House of Commons under subsection (1), a motion for the consideration of the House''; and

(ii) by striking out the words ''fifteen Senators or'', ''the Senate or'' and '', as the case may be,'';

(*c*) in sub–clause (3), by replacing the words ''both Houses of Parliament'', with the following:

''the House of Commons'';

(*d*) in sub–clause (4), by replacing each instance of the words ''both Houses of Parliament'', with the following:

''the House of Commons''; and

(*e*) in sub–clause (5), by replacing the words ''either House of Parliament'', with the following:

''the House of Commons''.

Mr. Benoît Sauvageau (Terrebonne, BQ): Madam Speaker, I rise to further explain why I will have the pleasure to support the sub–amendment presented by my colleague from Laurentides.

To clarify where we are coming from with this sub–amendment to Motion No. 4 presented by the NDP member, I will say that the only thing we agree with is that we would be ready to support the motion presented by the member for Battlefords—Meadow Lake. Therefore, we would be pleased to support it. However, to be consistent with the positions we have taken since the opening of this Parliament, we cannot accept that non–elected individuals might take the place, even occasionally, of elected representatives.

We must point out that the Senate is composed of appointed members who are, as my colleague so skilfully demonstrated, appointed in a partisan way; they are government cronies. These appointees, who cost taxpayers $53 million a year, and who are supposed to be wise, have shown that this is seldom the case.

Therefore, according to the 1848 principle of responsible government which I explained earlier, decisions made here by democratically elected representatives of the people should only and always be discussed in this House. I should point out, for the benefit of all those present, that each one of them represents a federal riding, but that they also represent their provincial legislature, and that there is only one House in each province because their provincial legislature recognizes the authority of democratically elected representatives.

What we are opposing mainly is the fact that non–elected individuals could make decisions. We must therefore support the amendment to the amendment submitted by my colleague from Laurentides and make sure that we remove from the motion of our NDP colleague anything that could be interpreted as meaning that both Houses must be involved in the decision–making. Democratic decisions are made here, in this House, and anything not democratic, like the present proposal, must be rejected.

(1705)

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Madam Speaker, I would like to say first of all that I am a bit surprised at the Bloc Quebecois position. Despite explanations by the hon. member for Terrebonne, one cannot help wondering how the Bloc Quebecois can move an amendment to an amendment to a bill over which it is in total disagreement. It is a bit surprising.

Similarly, I would like to refer to remarks by the hon. member for Laurentides who keeps harping on the same old theme that the Canadian Environmental Assessment Act is some kind of absolute intrusion in prerogatives of provinces and more particularly Quebec.

I want to point out to the hon. member that the federal government has not only the right but the responsibility, as stated by the Supreme Court, to deal with environmental assessment, if only in such areas of exclusive jurisdiction as coastal zones, navigable waters, fisheries, national harbours, airports, the St. Lawrence Seaway, Crown lands, native lands, defence facilities, not to mention the shared jurisdiction on environment itself.

Indeed, I would point out to the hon. member for Laurentides, if she is interested in getting information, that joint assessments have been made for a very long time in Quebec concerning, for example, Cacouna Harbour, the St. Marguerite River more recently and the Lachine Canal very recently. There are instances of several projects assessed either by BAPE or, on rare occasions, by the federal government, when the project was essentially under federal jurisdiction.

As for the motion by the hon. member for The Battlefords—Meadow Lake, we are quite aware that under several acts of Parliament, regulatory systems are established independently of Parliament.

In the case of the Canadian Environmental Assessment Act, the regulations were subjected to one of the most rigorous and progressive procedures established by the Government of Canada. During the last election, we on this side of the House promised an in–depth review of the existing regulations—

[*English*]

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt the parliamentary secretary. We are debating the amendment to Motion No. 4.

Mr. Lincoln: May I speak to both at the same time? It is the same subject anyway.

The Acting Speaker (Mrs. Maheu): Does the member have agreement?

Some hon. members: Agreed.

[*Translation*]

Mr. Lincoln: During the last election, we on this side of the House promised an in–depth review of existing regulations as well as ongoing consultation on the others. Some existing regulations have been reviewed thoroughly and substantially improved as many witnesses have recognized, in fact.

All the other regulations are subjected to the same in–depth analysis by all the interested parties.

[*English*]

I am very sympathetic to the member's suggestion, but the suggestion does not seem to recognize that extensive consultation has taken place, nor does it reflect the fact that the development of regulations is a much larger question than that contained in the regulations under the Canadian Environmental Assessment Act.

If the member for The Battlefords—Meadow Lake wishes to change the federal regulatory development process, the Canadian Environmental Assessment Act is certainly not the place to do it. For this reason the government will not accept this motion, nor the amendment to the motion.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mrs. Maheu): Is there unanimous consent to defer the vote to tomorrow at 5.30 p.m.?

Some hon. members: Agreed.

Mr. Boudria: Madam Speaker, a point of order. I wonder if you could seek unanimous consent to adjourn the House, having completed the legislation before us for today.

The Acting Speaker (Mrs. Maheu): Is there unanimous consent?

Some hon. members: Agreed.

The Acting Speaker (Mrs. Maheu): It being 5.12 p.m., as there are no members available for the proceedings on the adjournment motion, the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 5.12 p.m.)

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