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Thursday, June 2, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Thursday, June 2, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION ACT

Hon. Sergio Marchi (Minister of Citizenship and Immigration) moved for leave to introduce Bill C-35, an act to establish the Department of Citizenship and Immigration and to make consequential amendments to other acts.

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

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SPLIT LAKE CREE FIRST NATION FLOODED LAND ACT

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development) moved for leave to introduce Bill C-36, an act respecting the Split Lake Cree First Nation and the settlement of matters arising from an agreement relating to the flooding of land.

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

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(1005)

[*English*]

YOUNG OFFENDERS ACT

Hon. Allan Rock (Minister of Justice and Attorney General of Canada) moved for leave to introduce Bill C-37, an act to amend the Young Offenders Act and the Criminal Code.

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

INTERPRETATION ACT

Mr. Chris Axworthy (Saskatoon—Clark's Crossing) moved for leave to introduce Bill C-254, an act to amend the Interpretation Act (convention on the rights of the child).

He said: Mr. Speaker, I have a few comments to accompany what is essentially the introduction of a children's bill of rights. This bill would require the Government of Canada to interpret all legislation in harmony with the UN declaration on the rights of the child which Canada was instrumental in engineering and has already signed.

We will remember that the House unanimously voted in 1989 to end child poverty by the year 2000. Since that time child poverty has increased. We will remember the UN declaration on the rights of the child. This bill will ensure that Canada will enforce the concept that Canadian children be free from exploitation and abuse, that government action should be interpreted with regard to children in the best interests of the child, that children should have access to child care, health care and a standard of living that at minimum meets basic needs, and that disabled children should receive the same level of dignity and opportunities as other children.

It is important if we are going to put words into action to ensure that commitments Canada has made on behalf of its children are enforced by the government. At the moment this is sadly not the case. The position of Canadian children is getting worse.

I hope that along with my colleagues from Yukon, from Burnaby—Kingsway, from Kamloops and also from Notre-Dame-de-Grâce, who all indicated their support for this bill, we will see some action in this regard.

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

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PETITIONS

SEXUAL ORIENTATION

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, my constituents have asked me to submit to the House three duly executed and signed petitions.

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One calls on Parliament to refrain from making changes to the human rights code and the Charter of Rights and Freedoms to include sexual orientation as a prohibited ground of discrimination.

EUTHANASIA

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, the second petition calls on Parliament to uphold section 241 of the Criminal Code which makes euthanasia illegal.

ABORTION

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, the third petition calls on Parliament to enact a law which will protect the lives of all innocent human beings from conception until natural death.

(1010)

SEXUAL ORIENTATION

Mr. Paul DeVillers (Simcoe North): Mr. Speaker, I feel it is my duty to present all petitions from my constituents that conform with Standing Order 36. I therefore have two petitions to present.

The first petition makes reference to the human rights code, which Canada does not have, and asks Parliament to maintain the status quo regarding the Charter of Rights and Freedoms and the Canadian Human Rights Act so as to not show societal approval for same sex relationships.

A recent court decision forced the government to read sexual orientation into the Canadian Human Rights Act. This misunderstanding in this petition epitomizes the debate. This is not a question of personal values or morals. It is a question of equal rights for all Canadians.

EUTHANASIA

Mr. Paul DeVillers (Simcoe North): Mr. Speaker, the second petition requests Parliament not to alter the Criminal Code to allow for assisted suicide or euthanasia.

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QUESTIONS ON THE ORDER PAPER

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I ask that all questions be allowed to stand.

The Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[Translation]

SUPPLY

ALLOTTED DAY—REGIONAL DEVELOPMENT

Mr. Paul Crête (Kamouraska—Rivière-du-Loup) moved:

That this House condemn the federal government's ineffective regional development interventions, which create overlappings and inconsistencies, resulting in administrative chaos that hampers regional economic growth.

He said: Mr. Speaker, opening this supply day on regional development is for me a very important opportunity. For some Quebecers, their sovereignist commitment comes from the desire to maintain the French fact in Quebec, but personally, my convictions flow mainly from the general uneasiness prevalent in all regions of Quebec, because the inefficiencies of the present system prevent it from responding adequately to regional development needs.

This observation of mine was also made by numerous Quebecers, especially during the hearings of the Bélanger-Campeau Commission. As it travelled the various regions of Quebec, it came to the unanimous conclusion that the regions had to have control over their own development, and in order to do that the existing structures had to be called into question.

Let us review quickly the history of the federal government's involvement in regional development. In the 1960s and 1970s, the federal government realized that its programs were hard to access and it decided to improve the situation. It created the Department of Regional Industrial Expansion which was quickly discredited due to the lack of regional participation in project development and to the dominance of departmental concerns. The Department of Agriculture, the Department of Fisheries and others were still acting in an uncoordinated manner.

This prompted the federal government to try something new: regional development agencies. One was created for Quebec, another one for Atlantic Canada and a third for the West.

Due to these regional agencies, federal government interventions have been rather haphazard. Cases in point are the Federal Office of Regional Development, the Federal Business Development Bank, the interventions of Employment and Immigration through the Community Futures Committees and the Business Development Centres.

All these interventions were made in good faith, but since they were not coordinated, they produced limited economic development and there was absolutely no coordination among stakeholders in various sectors, which led to major errors such as investing in the wrong sectors.

I will give you an example of this. In my riding of Kamouraska—Rivière-du-Loup, they poured money into a new armoury.

(1015)

I suppose that people in the Reserve are very happy to have an armory now, but I doubt that it was a priority for my constituents, at a time when we were desperately in need of money to develop Gros-Cacouna harbour.

Departments take initiatives, in their own sector, without any regard for regional priorities.

In the past few months, since the Liberal government came into office, the Federal Office of Regional Development has taken a back seat to the Department of Industry. Before the previous Conservative government, the Department of Industry used to intervene in Quebec. But in view of its lack of efficiency, it was decided to set up regional development agencies, which was equivalent to performing by-pass surgery on a heart patient to make sure that his blood kept on circulating. Now, the Liberal government is limiting the FORD's mandate and cutting its budget in such a way that we are back to a very centralized approach which is totally inadequate to meet regional development needs.

What kind of message is the government sending to the regions when in its budget, it cuts funding to the regional development agencies to the tune of \$13 million in the Maritimes, \$70 million in Quebec, and \$90 million in western Canada over three years? In Quebec alone, this will lead to cuts in FORD regional development assistance, in the amount of \$14 million in 1994-95, \$32 million in 1995-96, and \$24 million in 1996-97. This is a strange way to care for the patient. They have decided to choke him to death, as clearly indicated by these figures. In april 1994 for example, the official unemployment rate was 27 per cent in the region of Gaspé—Îles-de-la-Madeleine; 17 per cent in the Lower St. Lawrence; 15 per cent in Saguenay—Lac-Saint-Jean; 16 per cent in Laurentides; 12 per cent in Mauricie—Bois-Francs and 15 per cent in Lanaudière.

Those are very clear indications that the government's action has not produced the expected results in spite of all the money they spent on the problem. There is a flaw somewhere that makes it fail. We have to ask why. What are the causes of such a situation?

The first cause I can see is that jurisdiction over regional development is not specified in the Canadian Constitution. Therefore the federal government, because it had spending power, seized the opportunity to increase its visibility and its influence over the electorate; at the same time, the provincial government thought it should act because it had jurisdiction over land use planning and found it important to control, at least partly, regional development. That sterile war, that futile competition, I would even say that unhealthy competition between governments, aside from guaranteeing visibility to politicians,

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only resulted in choking the regions. Such wars between governments can only produce negative impacts.

I would like to mention another example. In the area of fisheries in Quebec there were jurisdictional wars between governments, wars to determine who would take relevant measures. We can see the results of that today; we ended up with a complete moratorium on groundfish fishing. It is due among other things to the lack of concerted action on the part of governments competing with each other.

The ineffectiveness of the federal government's interventions could be attributed also to the fact that its initiatives are haphazard. Here are a few examples. On the one hand, it creates community futures committees which are locally based and help members of the community help themselves. I think it was a very interesting initiative in itself. But on the other hand, it closes post offices. Canada Post Corporation, also subject to spending cuts, has decided for its part to close a number of post offices in order to increase its productivity. So, it wants to help communities take control of their future but it takes away from them one of the tools they would need to do so. It is an illogical situation which must be denounced.

Another example is the decision to create business development centres. It says to the regions: "We are going to give you borrowing power and allow you to obtain the capital you need in order to use your entrepreneurial spirit", but at the same time, it is systematically dismantling the railway system. You may well ask me what is the relationship between the two.

(1020)

Even if we give tons of money to the regions, if we do not maintain at least the development infrastructures already in place, we are wasting our time and our money.

The third example I want to give is the Eastern Quebec Development Plan versus the decision to close the CBC stations in the region. The purpose of this plan is to ensure that local communities whose livelihood depends on forest development have a bright future and are able to develop their territory, and to make sure that these communities are viable and enjoy a good quality of life. However, we also deny these communities the right to express themselves, to talk with one another by dismantling their regional communication network. That is another example of conflicting and unseemly action between the different tentacles of the federal octopus, if I may.

Finally, the federal government also acted inefficiently in its parallel interventions with other governments. On the one hand, in Quebec, a provincial structure was quietly setting up regional development councils, which evolved in regional consultation and development councils. These councils developed strategic plans for every region. All concerned parties in the region were consulted.

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At the same time, the federal government was creating another structure, the Federal Office of Regional Development. It was an act of good will intended to inject some money into the regions, but it also set up other consultation committees which, for years, operated side by side with the regional development office. Such a structure does not allow for efficient economic management. No coordinated tangible results can be achieved this way since there is no structural relationship between these organizations. Regions want to stop wasting their energy trying to convince governments to act in accordance with their own strategic plans. Up to now the federal government has shown no sign of being aware of the regions' demands and of trying to be flexible enough to meet them.

The Gaspé Peninsula and the Lower St. Lawrence regional consultation and development councils mentioned tourism as one of their top priorities in terms of development. This year, one of the first things the Minister responsible for the Federal Office of Regional Development announced in the budget speech was that no more money would be allocated for bicycle paths. Tourism development is, therefore, a priority of the regions and the message they are getting from the party opposite is that the money earmarked for these priorities is being cut. To my mind, this is unacceptable.

Still another reason for the ongoing ineffectiveness of the federal government's action is the paralysis of sectoral departments. Let me give you an example. A number of years ago, a wharf was built in Trois-Pistoles to provide adequate facilities for fishermen. Over the years, the reason for the wharf's existence has changed. Today, the region feels that this wharf could play an important role in terms of tourism and regional development. It is an important link for the ferry between Trois-Pistoles and Les Escoumins and it needs to be upgraded. Wharf maintenance comes under federal jurisdiction, but we get the feeling that the more the federal government spends money on areas which are not necessarily its responsibility, the more it neglects to spend in areas for which it does have primary responsibility. In this instance, it has refused to spend money to renovate wharves. It seems to have forgotten about the river for the past 25 or 30 years.

When a member tries to navigate through this maze, he finds that he must go knocking on the doors of such departments as Fisheries and Oceans and Transport. However, development priorities of the officials working in these departments are tied to the department's mandate whereas the future of the wharf should not be tied to regional development objectives, but rather to tourism. Existing structures are not flexible enough to respond to changing times and to allow the local community to take charge of its destiny and make the necessary adjustments. Federal sectoral departments are too cumbersome and prevent individual regions from having their needs met.

This is a rather odd message to be sending out to the regions that want to take their future into their own hands and to municipalities like Trois-Pistoles which has expressed an interest in purchasing the wharf, provided it can be properly renovated. They are at a loss as to where to find someone whose primary concern is regional development, not simply the fulfilment of a sectoral mandate. Another example of the federal government's failure to focus on its traditional areas of jurisdiction is the lack of vision of pan-Canadian corporations in so far as the role of regional development is concerned.

(1025)

Consider, for example, VIA Rail and the Canada Post Corporation. For a number of years now, VIA's policy has been to abandon rail lines and eliminate passenger rail services in order to save money. Local communities have been telling VIA Rail that the train is not only a means of transportation for local commuters, but it can also serve a wide range of purposes.

This fact was demonstrated most strikingly during the recent public hearings held by Rural Dignity in the Gaspesian Peninsula, when over 50 participants demonstrated that the train serving their region plays a major role in the tourist industry. An article was even written and published in 60 American papers, saying that this train really had special value; it could easily be made profitable, if marketed properly.

It is not within VIA Rail's mandate to promote regional development in Quebec and Canada. It was established by Cabinet to meet the demands of Cabinet. It would seem however that Cabinet never gave VIA any responsibilities with respect to regional development, judging from all the drastic cuts that were made. The Liberal caucus denounced these cuts in 1989 in a quality report listing all that should be done, but now that the Liberal Party is in power, it has laid this report aside. All we have to do, really, is dig this report up, update it a little and tell the people from the Liberal Party: "Now, carry out what you had committed to do in this report".

Let me give you another example of a Crown corporation with no regional responsibilities: Canada Post. The Canada Post Corporation was so successful in fulfilling its expenditure reduction mandate, it has stretched the elastic so much that it eventually snapped. This government did fulfil one commitment: it has put a moratorium on post office closures. But Canada Post itself, within its organization under its board of directors, has no regional development responsibilities. Its only responsibility is to make postal services profitable, and in so doing it may not take the wishes of the regions into consideration. This is obvious in its day-to-day operations, in every community.

I think that the federal government should ensure regional representation on the board of Canada Post and consideration of the economic, social and cultural impact in its decision making. I do not think that it is a problem of personalities or people at any level, be they federal or provincial officials or politi-

cians—and the people of eastern Quebec sent a very clear message on that. In last fall's election, the Liberal Party had a good candidate in Matane, who according to the old tradition said: "If I am elected, I want to be a minister in that government and that will give the region all it needs for its development". The people flatly turned down that approach which has been used for 25 years.

Saviours from outside and heroes who will make development happen are no longer the way to go. We have strategic planning and ways to take charge in our regions and I think that the message rural Quebec gave the federal government is this: "We do not want any more fleeting, flash-in-the-pan heroes. We want people who will work steadily and make structural changes so that the regions can develop".

Given the awful unemployment, exodus of young people, aging population and abandoned land, I think that the solutions must be drastic and sweeping. Whether in a federal system or a sovereign Quebec, it will be important in the short term to recognize the driving role of the regions. The organizations which arose from people's desire to take control of their own lives, like Rural Solidarity, Rural Emergency Coalition, Rural Dignity and the *Ralliement* of Gaspesians and Magdalen Islanders, want to ensure that their communities will live, and I think that what governments do should reflect that.

(1030)

To do so, we must give the envelopes back to the regions. Regions must have full control over their envelopes. I will give you an example: the \$200 million budget of the Federal Office of Regional Development could be decentralized by region so that, in terms of strategic planning for every region of Quebec, the \$200 million allocated for all of Quebec could be replaced with regional envelopes; every region would then get an extra \$10 million or so to spend on its own development.

Sectorial departments should also subordinate their action to regional priorities. We must ask the Department of Fisheries and Oceans and the Department of Transport whether their operations have a positive impact on regional development. Will the new, clarified air transport taxes hinder or promote regional development? We must take such actions. We must also assign a regional development mandate to Canadian corporations such as VIA Rail and Canada Post, just like the examples I gave earlier.

I myself think that the position taken by many Quebecers—and it is partly at the heart of our mandate—is that what has been done in the last 20 years have convinced Quebecers that our economic problems can be solved through sovereignty and decentralization. It is important that we have control over our own development and that the \$28 billion in taxes that we pay to the federal government can be transferred to the regions so that

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these taxes can have a major economic impact and give the regions control over their own development.

If you are wondering why the Bloc Quebecois candidates were elected, here is an explanation: to denounce a system that does not work, to effect deep changes and to respond to the Prime Minister when he says that, to solve economic problems, he does not want to talk about sovereignty. In fact, our economic problems can be solved through a complete redistribution of powers, through decentralization. Our problem is one of architecture, of plumbing even, and that is why regional development is a major reason to achieve Quebec sovereignty.

[English]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I do not in any way, shape or form agree with the member's comments here today.

I was elected to the Parliament of Canada in 1988 because I opposed the Meech Lake accord. I opposed it for three or four specific reasons, one of which was that I believe the only way to look after the disadvantaged regions is by having a strong national government.

I believe that the argument the members of the Bloc are putting forward here today reinforces the position I took in 1988. What they have been saying through their remarks today is: "Decentralize, decentralize. Give us all the money to look after the regional development problems. Then we will just separate and go our own way". What kind of logic is that?

If you are interested in city politics you run municipally. If you are interested in provincial politics you run provincially. However, when you are elected to the Parliament of Canada you come here to build and promote economic strength in the country.

Why would we support a motion in this House today which promotes dismembering the country?

The member mentioned in his speech the importance of tourism. I support the fact that we must be much more aggressive in marketing tourism in this country. I believe most members would support that. One of the difficulties is that we are saddled with a very difficult fiscal framework. We are saddled with instability. Our economic numbers are not as great as they should be because the Bloc is sending out negative signals which are hurting the very objectives it is trying to achieve.

(1035)

The hon. member's premise has no logic. History will show that the best economies that we have had in the history of the country, and the best economy ever in Quebec was when we had a strong national government.

*Supply**[Translation]*

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, I find those words extremely indicative of the current unease in Canada, very indicative indeed.

The Liberal Party says that a strong central government will solve the problem. It would have us believe that good ideas only come from Ottawa and, if Liberals decide everything, Canada will withstand any crisis.

But, this argument does not wash. Given the current situation, the 30 per cent unemployment and the 50-per-cent jobless rate in the Gaspé Peninsula, can we truly say that the system is working?

Some hon. members: Hear, hear.

Mr. Crête: Mr. Speaker, I just heard the hon. member comment that it is our fault. But, for the past ten years, who has been governing in Quebec and in Ottawa: the federalists or the sovereigntists?

Some hon. members: The federalists.

Mr. Crête: Whether in a federal or a sovereign environment, if the federal government maintains its current centralizing position, each time such a comment is made, each time such a measure is taken, more arguments in favour of sovereignty are being given to Quebecers.

After hearing such words, any federalist who is disappointed with Quebec's position joins our ranks.

[English]

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, I find it a kind of a paradox listening to this this morning. Recently a member of the Bloc Québécois came to my riding in British Columbia. While he was there I had a chance to hear a lot of their policies. I thought it was really interesting because a lot of their ideas are not that different from mine.

In fact in identifying the problem and identifying the cause of the problem federally we were very much in agreement. Where we came to a difference was in the solution. It sounds like we are in much the same situation here this morning.

We believe that regional development grants are not working well, that it is not a good way to redistribute the wealth of the country. The Bloc have talked about the failure of a system. We agree with that too but where we come to a difference again is in the solution.

Because regional development grants do not work the Bloc feels that this is a reason to separate. We suggest this is a reason to come to Ottawa and change the system and that is our purpose in being here.

Interprovincial trade barriers are also something that cost the individual provinces a tremendous amount of money and that is in the provincial hands. The amounts of the grants that go to the Atlantic region were mentioned. Interprovincial trade barriers cost the Atlantic region more than the total value of their regional development grants. So there are solutions in the hands of the Quebec government at this time.

They talked of the VIA Rail system and how there has to be more subsidies or the continuation of subsidies in order to enhance tourism and passenger travel. In British Columbia VIA Rail tried to operate a system that was largely tourist oriented. Even though it was hugely subsidized it lost its shirt. Private enterprise stepped in and without any subsidies whatsoever is now turning a nice profit and causing a tremendous boon for the various regions of British Columbia that it travels in without, as I said, any subsidy whatsoever.

There are any number of things that we can talk about such as the post office. I suggest to the Bloc that a solution to part of the problems in terms of keeping some of the money at home would be to deal with some of the internal problems of Quebec.

(1040)

With regard to the regional development grants, we support the idea that we need a lot of these things that become in part patronage. Regional development grants do on occasion work. I am not suggesting that every time they are used they are a total failure.

However, the federal government has to stop wasting so much money. The only way it will get its deficit under control is if it spends less, pure and simple. This is an area where it can cut the spending. It could then stop taking that money from the individual provinces and they would be more viable.

I would ask the Bloc if it has a solution that does not involve separation. We certainly do. We think that is the direction it should be going in. Give us a solution not an enhancement.

[Translation]

Mr. Crête: Mr. Speaker, I get a lot of sympathy from this comment and I want to tell the hon. member that we have been trying to change the system for 125 years, and particularly in the last 35 years.

First, we once gave 74 out of 75 seats to the Liberals, with Prime Minister Pierre Trudeau at the helm, and even with that representation, Quebec was not able to get what it needed.

Then, we relied on the Conservatives to regain, with dignity, our place within the Confederation, and that was also denied to us. We are now at the point where Quebecers feel that a structural change is needed. We are told that cuts, among other measures, are required to make real savings.

Take manpower training, a field in which Quebec and Canada together waste \$250 million every year. If this \$250 million was

available for development, there is a good chance we would not have to rely on government initiatives: We would be able to promote our own development in other ways.

The hon. member asks if there are other solutions, but sovereignty means that you pass your own legislation, levy your own taxes and conclude all your own treaties concerning Quebec's future. If federal legislation and taxes had ensured that Quebec got what it needed for its development, and if the federal government had been successful in getting what we wanted when it signed international treaties, we would stay.

However, the current structure has not given any such results, and it is particularly noticeable in the case of regional development. I might add that where I come from we have made a habit—and this may be another difference—of letting people who have the right to speak to do just that. It is much more practical to do so.

The Deputy Speaker: The period for questions and comments has now expired. Is there unanimous consent to continue for five more minutes?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: I therefore give the floor to the hon. member for Kamouraska—I mean Madawaska—Victoria.

Mrs. Pierrette Ringuette-Maltais (Madawaska—Victoria): Mr. Speaker, it is all right, Kamouraska and Madawaska are quite close to each other.

I think it is very appropriate that a Reform member would indicate today to this House that he is on the same wavelength as the Bloc and that his party shares the same vision as the Bloc partisans about the problems we face and the solution they advocate.

I also want to mention to the hon. member who put forward this motion, in which he expressed his concern about overlapping and inconsistencies in the regional economic development policies, that we have indeed seen in the past, and particularly in the last few years, a proliferation of programs with no realistic goals.

The hon. member has a point there. However, I want to point out to him that, in the last six months, the Liberal government has put forth its vision and its action plan. The hon. member must recognize the value of the infrastructure program which currently involves all levels of government: municipal, provincial as well as federal.

(1045)

The infrastructure program implemented by the Liberal government these last few months gives you a concrete example of how this government intends to run the country. Nobody can say

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that the infrastructure program we just created is inconsistent and does not take into account the needs of the provinces and the communities, because there would be no national infrastructure program if communities had not submitted proposals approved by the provincial as well as by the federal authorities.

So, I believe that the Liberals in this House have, in fact, shown the leadership both Canada and Quebec need at this time.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, the infrastructure program mentioned by the hon. member is an excellent example. It is a good idea to provide our communities and regions with the adequate equipment but, when it comes to the Kamouraska sewer system—for which we got a very good investment in the infrastructure program; in any case, it is a good thing that the regional development critic could get it, since it proves that we can also have the true power—should we need the authorization of all levels of government, municipal, provincial as well as federal, to decide if this hamlet of 500 people needs a sewer system?

This program was said to be interesting but it is quite inadequate regarding job creation. To me, what has much more of an impact now is the decision to increase the number of weeks of insurable employment while reducing the number of weeks of unemployment insurance benefit. This will cut 1.3 billion dollars in the Maritimes and in Quebec. As you will see, the economic impact will be even greater.

Measures might have been taken, in Bill C-17 for example, to immediately roll back to \$3 the contribution of the small- and medium-sized businesses or to provide for the small businesses to pay less and for the larger ones to pay more. Agreed, this would have insured less political visibility, but the economic impact would have been even greater and respectful of the local people's entrepreneurship.

The Deputy Speaker: I think that the 5 minute question period is over.

You want to ask a question of an hon. member from your own party. I would rather avoid this.

Resuming debate.

Mr. Yvan Bernier (Gaspé): Mr. Speaker, since we deviated a bit from the normal process by allowing the Liberal Party to take more time than usual, I hope that hon. members will be given enough time to make their comments in a few moments.

Since the Liberals were given a five-minute extension, I would like the same extension to be given to the opposition for questions and comments.

The Deputy Speaker: The hon. member for Gaspé did not get my point when I said that the five-minute period was over. Unanimous consent was given for the five minutes.

*Supply**[English]*

The hon. Minister of Human Resources Development, on debate.

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I have been listening to this debate carefully. It reminds me that just last week the United Nations development agency, which annually does a survey of the quality of life among all the countries of the world, concluded that once again Canadians have within this country the best, the most tolerant and the most generous system of any country in the world.

There is a reason for that. It is because throughout our history as a country we have learned to share. We have brought forward a number of programs in health care and social assistance, education and training to ensure there would be some basis of standards across the country, that there would not be large disparities and that people would feel they were being equally treated.

(1050)

That fundamental reality seems to have escaped the hon. member who has presented this resolution. In fact the benefits his and my constituents have been able to enjoy are because we live in a country of wide diversity and wide differences of interest, but we have been willing to share. We have been willing to work and live together to produce a country which has good economic and human values.

Maybe the unfortunate part of what has happened since the last election is that there is now within the House of Commons an Official Opposition which does not recognize or even accept that fundamental achievement Canadians have been able to bring about over the some 130 years of our country's existence. Bloc members look only from the point of view of one, narrow, limited, regional perspective. They have no sense of what this country has been able to do.

As a result, they have totally and completely forgotten—conveniently, I would suggest—just how important federalism has been to ensure that the poorer regions of the country are given a real chance. In the early 1980s we wrote into the charter of rights the principle of regional equality. We are probably the only country in the world that has put that in as a basis of its Constitution. We have lived up to that time and time again with attempts, not perfect, but attempts to ensure that was lived out in practice.

I am surprised the hon. member in talking about regional economic development somehow conveniently forgot that one of the first acts of the Minister of Finance in this new government was to substantially change the formula for equalization to

ensure that those wealthier areas of Canada would share more of their wealth with the poorer areas.

The hon. member's province was a major beneficiary of that program, to the tune of hundreds of millions of dollars. No one was carping or criticizing or saying: "We reject it". The fact is we brought in a program to ensure there would be equal treatment across the country.

[Translation]

I submit that that is a good example of how Canadian federalism is a good way to share efforts and goods among all Canadians. Unfortunately, the hon. member refuses to recognize the value of federalism as a way to share good-will in this country.

[English]

Let me give another example. The hon. member talked about unemployment insurance. I presume he is aware that last year the net transfer to the province of Quebec, in the UI system, was close to \$1 billion from the rest of the country to aid those who were facing unemployment in Quebec. It was even of higher value than that of the Atlantic provinces or northern Ontario. Nobody is criticizing. In fact we say that is the way the system is supposed to work. I find it incredible.

[Translation]

It is unbelievable that the Leader of the Opposition, Mr. Bouchard—

[English]

—is the one, as my colleague has said, who is going around upsetting the economy and talking about annexation of western Canada by the Americans. He is the one who is fragmenting, destroying and dividing the country. He is the one who is destroying the idea of equal sharing.

When the hon. member gets down from the pink cloud he has been living on for so long and comes back to reality, why does he not tell us how those transfer payments of equalization, unemployment insurance, the Canada Health Act, pension plans and student loans would be financed solely by that one province under its own resources when in fact it faces major debts?

Federalism has worked because we do not see each other in fragmentary bits and pieces, region by region. We see ourselves as one country. We realize if we can build the strength of all regions, we all benefit. That is why we have been prepared to share. That is the tragedy. The foolishness and silliness of what is going on today is that those members live in a dream world thinking that somehow everything would be better if only Quebec would separate. The hard economic reality is that is not true.

(1055)

At some point there will be a reality check and I know where it will come from. The people in Quebec will make the very clear statement that it is all right for members of the Parti Quebecois and the Bloc Quebecois to live in a dream world, but they understand the realities of a job and support for their families. They understand the decent idea that we can share across this country and all benefit from it, not by separating or fragmenting the country. That is the reality.

In our present system there are many ways in which we can aid and assist various regions to develop. The basic transfers I have just talked about are a key element of that, but we also have to undertake the kind of support for direct intervention, for direct development.

I listened with some interest to my friends from the Reform Party who said they do not like regional development policies either and get rid of them all. I heard the member who said get rid of them all.

Let me just speak for a moment about western Canada. I am responsible for the program on western diversification. Over the last several years about 40,000 to 50,000 jobs have been created in western Canada as a result of the direct support of western diversification. We are trying to take an economy that is living in the broad global context and give it boosts in technologies. I will give an example.

We have just completed a revamping of our programs so that we can aid smaller business. We will give repayable contributions only to those enterprises with less than 50 employees. It means those very small businesses, which today, as the hon. member knows, have serious trouble getting equity financing or credit from banks or other financial institutions, are being given assistance by the federal government. They will be able to expand plants, buy new technology, develop a new marketing structure and hire people so that they can compete just as well as the big guys.

Now there is another party saying to get rid of that program for small business support and assistance. Yet we know that about 80 per cent of the jobs will be created by small businesses with the kind of assistance they need.

I want to talk about western Canada because unfortunately the hon. member who talked about regional development only talked about one region. This debate deserves a somewhat broader context than that, because we are talking about Canada and all its regions. Let me give one working example which illustrates what I mean about how important it is not to deny small business the kind of assistance we can supply through our regional agencies.

Through our efforts we were able to form a consortium of 150 small food processing companies in western Canada. We analysed that in terms of the export market into the United States

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only 3 per cent of imported foodstuffs on American supermarket shelves were Canadian, even though we are their next door neighbour. One of the reasons is that much of our food processing in western Canada is small. We do not have the big Westons and others; we have smaller firms.

As the hon. member should know, a whole new series of quality tests and nutritional tests have to be met in order to export. A wide variety of standards have to be met in the United States, Japan and other places. Companies with 15 or 20 employees making something out of a grain product or a dairy product do not have the extra cash to mount that kind of research and development and do the testing.

We have encouraged those 150 companies to come together under the name Food Beverage Canada. We have appropriated the name Canada for western Canada but that is always done in Ontario anyway. The support supplied to that association enables them to undertake marketing, promotion and research testing. Those 150 companies can now begin to export into the United States on a much more rational and effective basis. Once again, it is another example of sharing.

It is the same thing with the Beef Export Federation where it was trying to develop a market niche in Japan. The hon. member knows that people in the western Canada beef industry are the ultimate representatives of free enterprise; they do not want government assistance. However, that association asked us if we would work with it and help develop a major market in Japan. That market has increased by 10, 15 or 20 per cent per year as a result of intervention by a regional development agency sponsored by the federal Government of Canada.

(1100)

An hon. member: They could have done it on their own.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, listen to that. We now have another voice of reform saying: "They could have done it on their own".

The fact of the matter is that they could not do it on their own. They very clearly said that it was not within the cash flow position of the companies to develop longer staying power in a new market or to be there for a year or two to develop networks, develop products and get promotion going. Therefore they came together and said: "Give us a little help".

It has been a good investment because the money is being repaid. Last year we recovered \$30 million through western diversification of the contributions we made.

An hon. member: We are putting people to work too.

Mr. Axworthy (Winnipeg South Centre): Yes, we are putting people to work. We are sending out flyers and we have people working in western Canada. If the Reform Party had its way it would still be selling pork chops and beef steaks only to

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Calgary and not to Osaka. It is a global marketplace and I wish the Reform Party would wake up to that fact.

There are areas where there clearly can be substantial changes and improvements. We have only been a government for six months and I will tell the House what we have done in that six months. The hon. member might like to know about this because clearly from his speech he does not have the full facts at his disposal.

We are beginning to work in each province with the development of single window delivery systems, both for the delivery of manpower programs and business service programs. We are setting up combined, integrated programs to bring together all federal departments and to provide single window delivery to save money. We are doing the same in the area of training.

Let me use this opportunity to clarify something. I want to be helpful; I really do. It is my great interest to try to help inform the Bloc Quebecois about reality. One myth it constantly puts forward in the House, and I have heard it several times, is that there is a \$250 million waste on duplication in manpower training.

Do those members know where the figure came from? Do they have any idea? Maybe they read it in a newspaper. Do they know where the figure came from? I will tell them. We have analysed it very carefully.

It was not based on an examination of Canada. They said that overall in all 18 countries the average administrative cost was about 5 per cent or 6 per cent. Then someone said that it was 8 per cent in Quebec and therefore that must mean it is \$250 million. That was based purely on the broadest concept. We said: "Let us go back and look at the figures". At the federal level we deliver our programs at less than 5 per cent in the province of Quebec, not at 7 or 8 per cent, which is one of the lowest figures of OECD countries.

Would they get confused by the facts? Should they not base their arguments on something that is real? They would prefer to live in cuckoo land where everything is based on what we want to believe. They are the ultimate Alice in Wonderland party of "let us create a world of our own making and then say it is true, that it is real". Then they live in it.

The media in the last couple of weeks talked about annexations. The member does not belong in politics, he belongs in science fiction novels. I think he is missing his calling. I think he is a wasted talent. He should be writing children's fantasy books or science fiction novels. For goodness sake, he should deal with the reality of how the country works.

I am quite happy, as I have said throughout, to sit down and work effectively on what we can do as a country to eliminate duplication.

The Minister of Industry is working today on a plan to bring down interprovincial trade barriers. If there is any example of how to create real wealth in every region of the country, it is by bringing down the barriers to trade, regulation and manpower mobility. Who is doing it? The federal government is taking the leadership, not the individual provinces.

(1105)

If the hon. member wants to create real wealth for his region, he should stand on his feet and say that he disavows separatist positions, that he will go to work to bring down the barriers among all provinces, and that is how to create real wealth and real jobs for the people in his region.

That is a real form of regional economic development, not creating more fragmentation, not dividing the country into further small pieces with higher walls. A much broader level playing field should be provided so that we can create a full discourse of commerce, people, capital resources and ideas.

We are living in a world where we need a critical mass of people and capital. The member is showing me some kind of book. I am pleased to know he can read. I appreciate his opportunities, but what does it have to do with the debate? He is showing us a story in a book called *Global Paradox* by John Naisbitt who is one heck of a good American analyst. I am talking about what is happening in Canada, not what the Americans say. That is what I am talking about.

The sooner members of the Bloc Quebecois stop reading the far out speculations of American commentators and get down to the hard reality of what is happening in Canada, the sooner they might change their position and their views.

All I can say to the hon. member is that I fully share the concerns.

[*Translation*]

I share their concern about unemployment and, like them, I recognize the need for a solid policy to increase employment in the area. But at the same time, we must admit that the best way to contribute to regional development is to develop co-operation among all levels of government, municipal, provincial and federal, great co-operation and to implement one-stop shopping for government services.

[*English*]

That is the way to approach it. We will be dedicating our full resources as a government to work at the regional level on specific programs with provinces, to ensure that all works of our different departments and ministries at a national level are dedicated to creating work throughout Canada, and at the same time try to ensure the maintenance of full financial equalization

and sharing throughout the country so that we can all live, as the United Nations says, as the best country in the world.

Some hon. members: Hear, hear.

[*Translation*]

Mr. Crête: Mr. Speaker, on a point of order, the Minister of Human Resources Development said that he was happy to know that I could read. I want to tell him that I have a bachelor's degree in administration from Laval University. I also studied in English at UBC, in Vancouver, because I have an open mind and I would never make this kind of accusation. I am perfectly able to participate in debates on real issues, not on petty statements.

Mr. Yvan Bernier (Gaspé): Mr. Speaker, I believe it is a minister who just spoke, and I hope all ministers in this government are not the same. However, I would like to say that I am glad it is this minister who spoke this morning because he represents the kind of federalism Quebecers reject. This minister was there at the time of Prime Minister Trudeau. This minister was there when Quebec suffered all those rejections.

I will try to lower my voice, Mr. Speaker, because it irritates my friends across the way to hear the truth. The first thing I wish to say, and I noted two or three points, of which the minister should also take note, because you must not forget that this morning Quebecers are watching you, Mr. Minister, and they now see what the Canada you represent is really like.

A little while ago, you said that the figures on manpower training were not right, etc. I would like to remind the minister that it is Mr. Bourbeau, a federalist in the Quebec Liberal Party, who mentioned the figure of \$250 million. Am I to understand that the Liberal minister in Ottawa is calling a federalist minister in Quebec a liar? Is that what I must understand?

(1110)

The other point I would like to underline is that this minister was there during the Trudeau years. I would like to give him an example of duplication between Quebec and Canada. In my riding, the province built a \$23-million fish plant when there was fish—you will recall that before 1984 Quebec shared in the administration of fishing permits. Do you know what the federalists in those days, who are still across from us, did? They built a \$16-million plant right beside the one built by Quebec. That is what they did. That is their kind of regional development. They come and undermine Quebec initiatives.

I have a few more questions. I have devastating figures about my riding which I would like to quote for the benefit of the minister of employment and immigration, even if he does not like to hear them. In my riding of Gaspé, the unemployment rate is 27 per cent. The labour force participation rate stands at 42

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per cent. That means only four people out of ten are either working or looking for a job. What happened with the other six? The federalists discouraged them. What does this Liberal government have to offer? The recent budget froze the funding for help centres. We cannot get any money to promote the innovative suggestions of people in Gaspé and the whole province of Quebec. The minister is considering reforms, and, meanwhile, he cuts the funding. It does not make sense.

What about the Employment Development Program? I remind you that my region, with a 27 per cent unemployment rate and a 42 per cent participation rate, should be considered a disaster area, and should get enhanced EDP funding to put people back to work. Well, this funding has been cut, and is now reduced to 20 per cent of what it was before. The Federal Office of Regional Development has been subjected to a 25 per cent cut by the Martin budget, by the colleague of the minister who just spoke. Where are we going? What kind of logic is this? They wonder why we move a motion on regional development during an opposition day. They are slashing whatever help was left and they would like us to believe in federalism. I am sorry, but if the minister keeps talking the way he does, things will only be easier for us, come the referendum campaign.

Mr. Axworthy: Mr. Speaker, first, I would like to say that I was definitely a member of Mr. Trudeau's government and I am very proud of it. It is quite special because at that time, we defeated a proposal for the separation of Quebec.

[*English*]

And we will defeat it again.

I take this opportunity to make sure the facts are on the record. I remind members opposite of the impact of the new equalization formula with the provinces that we brought in a few months ago in the February budget. This is the value of the 1994 tax base update: Newfoundland, \$7.6 million; P.E.I., \$5 million; Nova Scotia, \$8 million; New Brunswick, \$5.5; and Quebec, \$70.8 million.

If there is a testament to the kind of federalism we want to build in the country, it is reflected in those kinds of numbers. We are prepared as a federal government working on a national tax base to bring together the wealth of a country and make sure it is divided and distributed in a way that helps regions with real needs. This demonstrates to me once again the falsity of the underlying premise of the resolution.

If the hon. member for Gaspé who just spoke wants another testament to what is happening, the people in the Gaspé are seriously affected by the downturn in the fishery and their resource industries. That is shared by other people in Atlantic Canada.

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(1115)

What he did not mention with the selective memory that the separatists seem to have is that the federal government has just introduced a \$1.9 billion program for people in the fishing industry, including his own riding, through which it will be able to have substantial weekly benefits, go back to work, have support for training, for self-employment, for economic development, for community employment. It will be able to give some hope to its children by going back to work in a green corps to replace the fishery, enhance the resources, go back to work to actually rebuild the resource base of that region.

That was a federal program that we introduced and it would seem to me that the hon. member rather than complaining and carping should get to work and do his job as a member of Parliament and help that program work so his own people can go back to work.

The Deputy Speaker: I see three members rising to ask questions. I wonder if there is again a feeling of having unanimous consent to prolong this question period by five minutes.

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: The hon. member for Kootenay West—Revelstoke first. I see no consent to extend the question period beyond 10 minutes.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, I can see after what the hon. member stated that he would not wish to extend the period to rebut the statements he made. He only wishes to extend it to rebut the statements of others.

The hon. member opposite said that the Bloc Quebecois does not check into the reality of how Canada works. I would suggest that the government has not checked into the reality of why the country is not working.

If you have a dog named Rory and the dog makes a mess of your house, you say you do not want this dog and you kick it out. A little while later you bring a dog in, a dog named Brick. Why should you be surprised if the dog makes the same mess of your house if it is the same dog with a different name?

There is a lot of selection going on here today. The hon. member talked about the selective memory of the Bloc. I would suggest that the hon. member is using selective statistics in backing his own arguments. He talks about the 40,000 or 50,000 jobs created in the west through government grants and government funding. How many jobs have we lost in the west because of the government's overspending and the taxation of all the

different businesses and individuals which rob us of the ability to do this for ourselves?

The government creates the problem. It gave us a small bit of a solution to that problem. Then it wants to pat itself on the back for it.

There is something wrong with a system in which we give our money to the federal government and then have to beg and plead to get some of it back through whatever program it decides to develop. It is very selective how it is given out.

The hon. minister talked about 150 companies that get the government's benevolent help. What about the companies that are not in that group, further disadvantaged because now we have government interference stepping in and saying: "You are the good companies so we are going to help you; but we are not helping you guys with your taxes because we have to get the money from somewhere to give to these other companies in the first place".

When he said we want to bring together the wealth of Canada, they have sure done that; they have taken all the wealth of Canada and brought it here to Ottawa and then squandered it.

What we have to do is find some solutions to problems. We are getting rhetoric from that side, we are getting rhetoric from every side, and I am probably using a bit of it because I get caught up in the flow.

In terms of regional development, the problem with government today and in the past is that it is selective. It makes these arbitrary choices of who it is going to help and how it is going to help. The Bloc Quebecois is upset about the money it pays out and gets back. The west pays out more than it gets back and we are tired of that as well.

I would suggest to the hon. member that if he is going to use statistics, use accurate ones, use ones that reflect the true picture and not his own stilted sort of version of it.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, once again we are faced with a kind of cheque book federalism. We have on the one hand members of the Bloc saying: "We do not get enough". The members from the Reform Party are saying: "We give away too much".

(1120)

What ever happened to the notion that there is a country that tries to share and distribute things? The problem is that we are now seeing certainly on the benches opposite this sort of small end thinking: "What is important is only within my own little circle".

I thought what we are trying to build in the country is some sense of common interest, that we are trying to reach out and build some strengths together. Unfortunately we seem to have

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two parties which think that their only responsibility is to represent very narrow, specific regional interests, that there is not such thing called Canada any more. It seems to be forgotten in their vocabulary. That seems to be the problem.

It is a tragedy that we do not in effect have some groups opposite which speak from a national interest point of view, which speak from the perspective of how to help build a community, how to help pull people together as opposed to this notion of how to separate them, divide them and start adding things up by some accounting; we transferred 1.5 here and they got 1.2 there.

That is how you destroy a country. I say in all honesty to the hon. member, that is how you destroy a country.

Some hon. members: Hear, hear.

The Deputy Speaker: The time has long ago expired. Is there consent to have further time on the question period?

Some hon. members: Agreed.

The Deputy Speaker: Five more minutes.

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, he talked about squandering and waste but the fact of the matter is that all Canadians whether they live in western Canada or Quebec fundamentally share a national support for health programs so that we have the best health care system in the world.

We all basically share and benefit by having a program of employment education which is one of the best in the world. We all share and benefit by having one of the best infrastructures in the world which we are now trying to improve even though the Reform Party opposes it.

Those are things you do not break down by provincial boundaries. You look at them from a national perspective and we are all winners in it.

I would simply say that the next generation of requirements is to do what my colleague, the Minister of Industry, is trying to do, to break those barriers down further. We are trying in western Canada to bring down the barriers among western provinces and get away from building up barriers, building up protectionisms, building up new walls or frontiers that the Bloc Quebecois wants to do and apparently the Reform Party wants to do.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I listened carefully to the minister, earlier, say things that are not totally true. He was talking in a lyrical way, but very cynically, of his vision of Canadian regional development.

The truth is that his government is against regional development. His government has just cut, through its budget, \$5.5 billion in the unemployment insurance fund. At the hearings of

the sub-committee on Bill C-17, which is the piece of legislation that cuts unemployment insurance, people from the Maritimes came to tell this government, the members of the government, that it was on the wrong track. These people were desperate, because they were being cut left and right where they should not be cut.

That is the government's vision of regional development, to totally destabilize communities, particularly rural communities. The federal government should stop trying to make us cry with the millions of dollars that it sprinkles over Quebec. In case you did not know it, we pay \$28 billion in taxes every year. So, those millions are no gift. The government should undertake a complete assessment of federal transfers, instead of looking only at what suits it. For the last five years or so, we have been the losers in these tax transfers, given what we are paying and what we are receiving.

So, the government should stop making us cry with arguments that are senseless, and most of all, demagogic arguments coming from a minister who is always demagogic anyway. The government should stop praising the phantom of the opera, Mr. Trudeau.

Mr. Trudeau spat on Quebec's aspirations, and if you are proud of having been part of his government, that is too bad for you. That will just make things clearer for Quebecers. So, is that your vision of regional development, to completely destabilize rural communities of the Maritimes and of Quebec with such a despicable, outrageous and hated bill as Bill C-17? I ask the question to the minister.

[*English*]

Mr. Axworthy (Winnipeg South Centre): Mr. Speaker, let me say first to the hon. member that I am really pleased to hear that he is concerned about destabilizing the economy. I would hope as a result of that at the very first opportunity he will leave this Chamber and go to his leader's office and tell him to quit making those comments. I guess he is taking my advice, he is leaving right now.

Some hon. members: Hear, hear.

(1125)

Mr. Axworthy (Winnipeg South Centre): As the old saying goes, if you cannot take the heat, get out of the kitchen.

The fact of the matter is that if there is any one person responsible today for destabilizing the economy, for causing the substantial increase of interest rates which is putting real pressure on our international financing—

[*Translation*]

It is the leader of the Bloc Quebecois. He is the worst, when it comes to dealing with stability problems of the economy, and that is the truth.

*Supply**[English]*

That is the real problem we face. As long as we have the kind of sermon of separation that we hear coming time and time again from members opposite, we will continue to face economic difficulties because the international marketplace is looking at that problem.

If they were really concerned about the economy and ensuring that we can start building a stronger economy, getting our financing back in order, helping solve problems of deficits, putting more money back into investment, then they would stop talking about separation. That would be the one contribution members opposite could really make to economic renewal.

Mr. Darrel Stinson (Okanagan—Shuswap): Mr. Speaker, I rise today to support parts of the Bloc's motion. After listening to the rhetoric that has gone on here today, I kind of get lost.

I enjoy the comments from the other side. I would like to refer specifically to two matters that have importance to western economic development: first, the federal government's prolonged inaction regarding dumping of apples grown in Washington state; second, the federal government's seemingly perpetual bungling of the handling of grain.

On Monday, May 9 more than 400 fruit growers gathered at the Canada-U.S. border crossing near the small community of Osoyoos in British Columbia to protest the government's lack of action regarding an extremely perishable agricultural commodity, apples, which are no longer being protected against unfair marketing practices by American growers due to contradictory actions by the federal government.

According to an article in the *Osoyoos Times*:

When the dumping of U.S. apples occurred in 1987 and 1989, apple growers in B.C. lost more than \$10 million, according to the association. But Ottawa responded by placing apples under the Special Import Measures Act, a five-year plan protecting orchardists against dumping. However, in February of this year the Canadian Import Trade Tribunal chose not to renew the plan, leaving growers vulnerable to what they call unfair competition.

Imagine what would have happened to fishermen on the east coast when federal legislation providing special support to them called the northern cod adjustment recovery package expired on May 15 if the federal government had simply done nothing.

When the legislation expired, hundreds of fishing families, the main economic support of their communities, would have faced bankruptcy. Rather than let this happen, the government brought in the Atlantic groundfish strategy, or TAGS. While I cannot speak wholeheartedly in favour of TAGS, I do recognize that a responsible federal government cannot expect major sectors of the Canadian economy to go cold turkey from wide scale government support and government control to full fledged, free enterprise overnight.

Yet this is exactly what is happening to apple growers in British Columbia. Their industry was protected, and with not one effort to prepare growers for the sudden transition that protection was withdrawn.

The Reform Party is strongly in favour of free trade but we emphasize that it must be fair trade. In the long run we in the Reform caucus look forward to the time when Canadian agriculture can thrive in a free market economy but we recognize that this time has not yet come.

Okanagan fruit growers must not simply be thrown to the wolves or Canada may soon face the situation in which having apple tree in the backyard is merely a hobby and all commercial fruit must be imported. I believe that is totally unacceptable. The Reform caucus urges the government to recognize that there must be an orderly transition to tomorrow's world of free trade. In the interim, B.C. fruit growers face great economic hardships which will result in many of them going bankrupt.

(1130)

I hear the hon. member on the other side basically suggesting that there should be no support given to the B.C. Okanagan fruit growers. According to David Hobson, president of the B.C. Fruit Growers' Association: "Farm families cannot sustain another year of dumping".

At the B.C. rally on May 9, B.C. provincial government representatives, including Okanagan—Boundary MLA Bill Barlee, former B.C. agriculture minister and now B.C. minister of small business, as well as Okanagan East MLA Judy Tyabji pointed out that fruit growers have become entangled in a conflicting maze of B.C. and federal policies.

More thoughtful government policies could moderate many economic consequences of the shift to a competitive world of free market. The lack of competitiveness from either B.C. fruit growers or west coast grain handlers is not due either to the farmers and workers involved nor to the conditions supplied by mother nature.

Canada has been recognized around the world for the high quality of our tree fruit, particularly our apples. Our growers and our agricultural researchers deserve much credit for their dedication and hard work. We are blessed with abundant water as well as soil and climate that provide some of the best growing conditions in the world both for grain on the prairies and for the tree fruit industry, especially in the Okanagan Valley which historically has provided approximately one-third of Canada's apples.

The future of Canada's horticultural industry should be bright. Instead we have growers who face a troubled and uncertain future due to the lack of wisdom in the way gov-

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ernment has dealt with the problems of our farms and orchards on one hand and the transportation of grain on the other hand.

In the past government took the easy route. If a problem emerged it would throw tax dollars at it. If west coast grain handlers went on strike or elevator operators locked the union out, the federal government would wait whatever it considered the appropriate amount of time to give lip service to free market forces. Then Parliament would be called on once again as we were this spring to legislate an end to the strike.

I voted in support of the back to work legislation with the specific suggestion that the House must develop a long term solution to problems of handling grain. According to the *Edmonton Journal* for May 17 the Minister of Agriculture and Agri-Food noted "a wrinkle in the Western Grain Transportation Act" which sometimes makes it cheaper to haul grain east to Thunder Bay before shipping it west to qualify for cheaper rates. That is the kind of unrealistic nonsense that can result from federal government intervention.

To compensate for time lost in this spring's grain handlers strike, complicated by a lack of hopper cars earlier this year because of grain shipment disruptions in the U.S.A. due to flooding in the Mississippi River valley, west coast grain terminals are now being operated on a seven-day per week basis at full overtime rates. Such seven-day per week operation has long been necessary to handle the increasing volumes of grain going through west coast ports. In response to requests for seven-day coverage the federal mediator to the previous west coast grain handlers strike allowed it on condition that the terminal operators pay full overtime rates for weekend work even if weekend hours were to form part of the regularly scheduled work week, according to the terminal operators.

In the world of free trade and strong international competition prairie grain pools cannot hope to remain competitive with emerging suppliers from other countries under those conditions. It is obvious that a long term resolution to such problems must be found.

The minister of agriculture indicated he was interested in such action with a meeting he scheduled two weeks ago with officials from the grain companies, west coast terminal operators and union and federal grain agencies. After the meeting the Alberta agriculture minister said the immediate concerns about the grain backlog left little time for discussing long term plans. He said: "We just managed to scratch the surface in a tentative way".

For the prairie communities and railroads and the 3,500 west coast grain handlers who were subject to special legislation in 1974, 1975, 1982, 1988, 1991, and again in 1994, these make-do meetings are simply not good enough.

(1135)

Productivity of wheat, productivity per man hour of the grain handlers and the demand for wheat among the Pacific rim customers are growing. Both wheat and the production of apples are important regional aspects of the Canadian economy. For example, the fresh and processed fruit and vegetable industry has an annual production that exceeds \$4 billion. The fresh fruit and vegetable sector alone accounts for \$1.8 billion.

Regarding wheat, according to green matters, I quote: "The Far East and Oceania, home to 3.2 billion consumers, could account for 40 per cent of world wheat trade by the end of the century. Population and income growth, increased urbanization and the resulting dietary shift away from rice are expected to lead to greater use of wheat based products. Canada could secure as much as 30 per cent of this market".

The Canadian horticultural action plan published by agriculture Canada in 1993 recommended that agricultural policies be changed in several areas. Currently the federal government has piecemeal agricultural policies which see wide differences from province to province.

In conclusion, overall the Reform Party caucus is in favour of as little federal government intervention in our regions as possible. However, we recognize that in the transition from yesterday's heavily supported and controlled economy to tomorrow's world of free trade, orderly, thoughtful and reasonable steps must be taken to ensure that survival, particularly of Okanagan apple growers and prairie grain producers, are looked at in a different light. The federal government's intervention is often inefficient at best and harmful to regional development.

The Deputy Speaker: I understand that the hon. member for Okanagan—Shuswap wishes to share his time with the member for Capilano—Howe Sound.

Mr. Stinson: Yes, Mr. Speaker.

The Deputy Speaker: Then there are five minutes for questions.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I caution the hon. member in his remarks, saying that he would want to get a little closer to the Bloc. I cannot believe that the Reform Party is trying to destroy Canada whereas the Bloc's specific mission is to destroy Canada. Right now it is doing a very good job of it. We really should not associate with the Bloc.

A month ago I went to members of the Reform Party and asked them to participate in a mission to China whereby we would export Canadian products and services. I could not get any support.

Yet the previous member of Parliament from Kelowna, Mr. Al Horning, came to Beijing, China with us on this mission. He was

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there for the express purpose of selling apples, the fruit of the Okanagan Valley, and also ginseng.

The members of the Reform Party cannot have it both ways. They stand here in the House of Commons and say they do not want any government interference or government help, but here is a specific example where we should be supportive and come to the aid of not just the fruit growers but also deal in a substantive way with the grain problem.

That is the point that I want to make. The Reform Party has to decide. Either there are times when they really need Government of Canada assistance or they do not. They cannot have it both ways.

Mr. Stinson: Mr. Speaker, I listened to the member on the other side. Maybe the ears get plugged or maybe we are misinterpreted. The understanding of what is being said from this side is not quite there.

First, who says that because we are on opposite sides that one party or another cannot come up with a policy of which part can be supported by the other parties. Just the Liberals say that if it is not a Liberal policy nobody should support it.

I have sat here since the beginning of the session and all I have heard is how well you people on the other side want to get this country going. Yet you sit over there and refuse to accept any suggestions from any side on this. If it is not Liberal it does not wash, that is your way of thinking.

Mr. Mills (Broadview—Greenwood): Work with the separatists.

(1140)

Mr. Stinson: There we go again. If it is not to your liking, everybody has to be against Canada. We have tried to introduce bills and motions in full support of Canada but that side does not support them. They go off on their own rhetoric.

The Reform Party caucus has stated all along that you cannot just totally cut off everything.

An hon. member: You have to work with the Bloc.

Mr. Stinson: No, no. We are trying to work with the government. Unfortunately there are certain members on the other side who refuse to listen.

When you are trying to further the output of companies it cannot be done through grants but you cannot cut them off instantly. It does not work that way. First the field has to be level. The member or his colleague mentioned it before in interprovincial trade barriers. We have more interprovincial trade barriers in our own country than we do for exports from other countries.

It has been years. You have had your chances before. Now you are starting to listen a little bit. Not very much, just a little bit. I

can understand that over here. It is too bad that gets lost over on the other side.

The Deputy Speaker: Order, please. Time has expired. We would ask both of the members who just spoke to try to put their remarks to the Chair. The “you” should just refer to whoever is in the Chair, not to people on the other side of the House.

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, I have studied economic development for the last 30 years of my professional life. I would like to put some historic perspective into this discussion.

In the post-war years in the 1950s and 1960s there were two economic development models floating around in the academic world and in the world of reality. On the one side we had the Soviet Union. It promised to solve all problems of economic development through deliberate central government action of planning and strict control over the lives of its members.

On the other extreme we had the market liberal model of the 19th century which believed that economic development was essentially the responsibility of individuals and that the role of the government was limited to setting down rules that protected and set up property rights, law and order, protection of individuals from both foreign and domestic interference. It essentially believed that minimal government was best to set free the energies and entrepreneurship of the individuals.

There was a lot of discussion during this period as to which was the best model, which would best succeed in raising the welfare of people in this world. It was largely a theoretical model because we never, ever have had any experience with the kind of planning model which was used in the Soviet Union.

We now know differently. We have now learned that the alleged success of the Soviet Union was all a big lie, that after all planning does not work.

At the same time we have the very great success of the Asian tigers, Singapore, Taiwan and Hong Kong, which in a very short time by using basically the model of the libertarian 19th century market oriented philosophers succeeded in bringing unprecedented rates of economic growth to their people.

I believe that the recent experiences are directly relevant to what is going on in Canada and what I believe Canada should do. Unfortunately in my judgment in the post-war years the Government of Canada travelled a great deal toward the model that is exemplified by the experiences in the Soviet Union and Cuba. I do not wish to say that we have become totalitarian. I merely wish to say the government has taken on the role of a major agent in economic development. This is in contrast to the idea that the government should merely facilitate economic development through some basic rules.

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(1145)

We heard from a couple of representatives from the government ministry this morning. They still believe they can do essentially what has failed in so many other countries around the world. They believe they are responsible for the export success of some industries which they have mentioned.

If there really is a project in Canada which can demonstrably be successful in exporting products to China which it now cannot do, many greedy capitalists in New York and elsewhere would love to put money into such a project. If it is worthwhile it should be done by the private sector.

When there is a government agency which says: "Fill out 15 forms and subject yourself to all kinds of hearings and then we will give it to you", no wonder they all come to the government and say: "We will do it your way. It is much easier than subjecting ourselves to the rigours of the market". Then the minister can say: "Oh, what a great success this was".

If it had been anticipated to be a great success, why did the private sector not do it? The private sector would have done it, but one of the problems in Canada is that the government is constantly stepping in and removing the incentive for the private sector to engage in this kind of development.

The future of Canada can go in either of two ways. One is the vision of the present government, which is continued government involvement in regional development projects. In the rest of the world it is almost a totally discredited approach to economic development. There is hardly an economist in the world who will disagree with the proposition that the government cannot pick winners. The government is not good at picking winners for economic development and which of the industries should be supported. The failure rate is extremely high.

Remember that every time the government supports an industry and then fails, it has taken away money from the rest of Canadians. They are therefore less able to do the kind of economic development projects which traditionally were within their abilities.

My vision for Quebec and Canada is let us make our country and Quebec after the model of Switzerland. Let us have free trade. Let us have a federation where all of the policies for economic development and social development are undertaken at the lowest level possible.

The minister said that unless we do it from Ottawa we will not have a country. Switzerland has a very strong sense of country, but a very weak central government. The government in Switzerland is doing what the 19th century model says it should do: provide security, internal rules, freedom, property rights. That

is what the Swiss government is doing. To say that unless we take money away from the rich provinces or cantons and give it to the poor there will not be a country is obsolete. That model has failed. Just look at the countries which have pushed it to the extreme.

In conclusion, I support the position of the resolution that is before us today. The government should generally support decentralization of function. It should go back to the function it had in the first place up until the end of the second world war.

(1150)

Also, if I may be so bold as to suggest, although I am not supporting it, but if it were to take place unhappy as I would be that Quebec became independent, I do hope it would take the model of Switzerland and not that of Albania in deciding which policies it would adopt with respect to trade and economic development. If Quebec were to become like Switzerland then many of the fears which have been voiced about the consequences for the rest of Canada, even the consequences for the people of Quebec on independence would be unwarranted and unjustified.

I wish I could be optimistic about the people of Quebec and the Government of Quebec accepting my advice. Unfortunately from what I have heard in this House we will not have much support for a market Liberal type of policies. I am afraid the indications are and it makes me very sad that we will move closer toward the model that has failed.

Mr. Alex Shepherd (Durham): Mr. Speaker, I am very saddened by the hon. member's comments. I think I actually heard him giving advice to the separatist element of the country of how they should properly separate. This follows more on the heels of what the Minister of Human Resources Development said about the problems with this great nation of ours. There are two parties in the House each with its own single focus which seems to be on separating us and making us different.

The hon. member went on with a history lesson. He tells me he is an economist but in fact, he must be a historian. He wants to take us back into the history of the country, a history which incidentally has never existed, a *laissez faire* economy in which government is not involved in the economy whatsoever. The government's only function is presumably to make postage stamps. This economy has never existed in the world. An Adam Smith economy has never existed. The reality is the great United States, that great capitalist country has all kinds of these programs.

The hon. member went on to talk about China, the new evolution and the new world. I note the Reform Party refused to send people to China. I was one of the ones who was honoured to

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go and support some of our small and medium sized businesses. Some of them were from the west.

In talking to the people of China I was surprised to learn that in spite of their demand type of economy they were all working. There was no unemployment. I am not supporting a communist system, but I am saying that when I look back on the situation in Canada I realize we have one of the highest standards of living in the world.

If I took anything seriously from the member's comments, somehow we would be all destitute. I would like the hon. member to comment on some of those aspects of our economy.

Mr. Grubel: Mr. Speaker, the more I listen to people like the hon. member who just spoke, they should get a lesson in listening. There are so many things I am supposed to have said which I never said. I will let *Hansard* stand for that.

I never supported Quebec separation. However I believe it is not in the interests of the people of Quebec or Canada for us to refuse to think about what policies they might adopt if they do decide to become independent. I will justify that any time.

(1155)

Also, I never mentioned the people of China. If you go to China you will get shepherded around by a guide like I did. I have been to China. You see what you want to see. In the 1930s people came back from the Soviet Union saying: "There is no unemployment. The Soviet Union is a model for economic development. Let's go that way". The NDP for a long time pushed that line until finally somebody said what Stalin had done and what lies had been perpetrated on us.

Since we have begun to intervene strongly in our economy in the 1960s with all the programs the hon. member's party is so proud of, the rate of economic growth in this country has decreased. It has gone from one of the biggest in the OECD down to the middle.

Before Sweden started its massive programs of the sort members wish more of, it was the country with the highest per capita income in the world. However, it went to where it is now, which is in the middle. In the last 20 years it has had the smallest growth in per capita income. History speaks clearly that the model of maximum involvement of the government in economic development has failed. The empirical evidence is in.

I would like to reiterate what I have said and the advice I can give as a 30-year student of economic development. Quebec demands for decentralization of this process of economic development. Keep more of the money there and let them do with it what they want to. This would be in the interests of the people of Quebec. Similarly this kind of approach might very well be the solution to keeping the country together, a looser federation

modelled after that of Switzerland. Nobody can say that Switzerland is not a country. We can achieve that here, but we have to have it as a goal.

The Deputy Speaker: Unfortunately the five minutes are up. I see someone else wishing to ask a question. Is there unanimous consent to extend the period?

Some hon. members: Agreed.

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, to the hon. member for Capilano—Howe Sound, Switzerland is much smaller than Canada. It is not as diverse in geography and population and it does have a very different economic outlook and economy.

My point to the hon. member regards economic development which we are talking about today, and not the development of new countries. In economic development Canada has acted as a unified country to serve all the regions, to serve them as equitably and as fairly as we can.

In Atlantic Canada, there is the Atlantic Canada Opportunities Agency, better known as ACOA. It helps to sustain some of the industries which cannot take on new technologies, new markets, new global competition without a little assistance. Let me give an example of what happened during the first week of May in my home town of Truro, Nova Scotia.

I attended a sod turning ceremony at Intertape Polymer Group Inc. The head office of Polymer is in Montreal. It has a plant in Nova Scotia where it manufactures synthetic fibres, plastic tape for the backing of carpets, polysac bags, even large sacks for bales of hay. This high tech company markets globally. As I said, the head office is in Montreal and there are five branches of that plant in Virginia, Florida, Louisiana, Montreal and Truro.

The company was looking at expansion. We, through ACOA, gave \$1.4 million to Polymer to expand in Truro and the parent plant put in \$15 million, for more than \$16 million of investment in my home town. This investment created 45 new jobs for more than a total of 300 jobs in Truro, not Louisiana. We got ACOA funding as a stimulus and the parent company put the additional money in because that was where the best investment was for the best growth in exports from our ports to global markets throughout the world.

(1200)

That is the advantage of regional economic development. That is a success story of long term jobs, sustainable jobs and a sustainable economy in the Atlantic region that we appreciate and love Canada for. That is what economic development is all about.

I hope the hon. member for Capilano—Howe Sound appreciates where we are coming from.

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Mr. Grubel: Mr. Speaker, one of the great troubles we have as economists is that people always see their narrow, tiny little piece of the world. The world does not work that way.

A month ago I gave a speech on the damage done by the economic policies of the government on what they call charity to the regions.

An hon. member: We do not call it charity.

Mr. Grubel: I know you do not call it charity but that is what it is.

The other side of charity is now showing up in every country of the world that has gone too far with charity. I am not against charity, just how much. It has another side. With charity we also create dependence. Until the program of regional redistribution was enacted the income in the maritime provinces was a bit behind that of the rich centre.

The problem of economic development was solved by slow outward migration. Chances were that outward migration would have maintained income in the regions equal or near equal to that in the centre.

However, what did we do? We instituted in the name of charity a program which when exposed turned out to have been a disaster. It told the people of the maritimes to stay where they were and, if they fell behind, they would be given money. They would be given charity. What happened? They became so dependent on it that when the fish disappeared, when an economic crisis developed, they ended up having the worst possible kinds of problems.

We do not give money to our children after a certain stage because we know if we keep giving them money they will never become independent. Yet here we have a state institution which continuously says: "Stay poor, we will take care of you".

This is the long run perspective on those kinds of programs which I believe has to be brought out in our discussion of where we are going into the future.

Mrs. Pierrette Ringuette-Maltais (Madawaska—Victoria): Mr. Speaker, I am appalled by the comments of the member who just spoke. He talked about charity to Atlantic Canada and before that he talked about history.

Perhaps the member needs a little lesson in history. Atlantic Canada was one of the most prosperous regions when Canada was built, at the time of Confederation. The Atlantic region helped Quebec open up its waters to the world, to the detriment of Atlantic Canada. It helped develop western Canadian agriculture, and we are here as Atlantic MPs listening to western MPs telling us that we are charity cases.

Mrs. Tremblay: Yes, you are.

Mrs. Ringuette-Maltais: The hon. member for Rimouski—Témiscouata also.

I want the member to withdraw his remark, his insult to the population of Atlantic Canada including the MPs in the House who represent them. We are here because we were democratically elected. We were elected as members. I want the member to withdraw his remarks about Atlantic Canadians.

(1205)

The Deputy Speaker: The member did not indicate that she was rising a point of order. With great respect the word charity is not an unparliamentary word.

The member has made her point very effectively. I will also give the member for Capilano—Howe Sound a chance to give his perspective on the issue.

Mr. Grubel: Mr. Speaker, I appreciate the opportunity to reply. I wish the hon. member would read what I said when I had an opportunity in a systematic way to outline my views on the matter.

I am in full agreement that the maritimes at a time when the world's wealth was determined by the availability of natural resources was one of the most prosperous regions of the world. The people of the maritimes were working very hard then and they are working very hard today. They would be most prosperous today, I am saying, if the government had not made the mistake of saying to the people of those regions: "You can stay there as long as you want to. We will always maintain your income at a certain level".

The world has changed. Wealth today is no longer a function of natural resource availability. Singapore today has moved into the league of industrial countries and Singapore does not even have its own water supply. The source of income and wealth today is human capital which functions, unfortunately for the resources of the countries of the world, only in big cities. That is why income is so high in large cities.

We would not have today the difficulties we are seeing in the maritimes, in my considered judgment, if we had not had a program motivated by the charitable instincts of Canadians, which I appreciate. That is the only point I wish to make.

[*Translation*]

Mr. Bernard Deshaies (Abitibi): Mr. Speaker, pursuant to Standing Order 43(2), I wish to let you know that the speeches from the Bloc Québécois members will be limited to 10 minutes in order to allow more members to address the subject matter of regional development.

First, I would like to mention the open-mindedness of some members who are looking for solutions to today's motion on regional development instead of dwelling on our differences.

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As we can see, regional development is a complex and troubling matter which is a unique combination of economic and political notions. Defining the developed regions can be quite a challenge if we compare Montreal to Gaspésie or Abitibi. The fact that regional development depends largely upon national economic growth is another problem too.

It was only in the 1960s that Canadian politicians realized that all regions were not developing at the same rate and decided to set a series of programs based on a regional development federal policy to eliminate those disparities.

Until then, public authorities thought that federal programs aimed at promoting national economic growth would also be beneficial to all regions, which was not the case. That could have been more or less true in times of prosperity, but the disparities have not disappeared. Ever since, they have not succeeded in improving the situation of the regions which unfortunately have too often the highest unemployment rates.

(1210)

The implementation of programs to alleviate regional disparities led to the creation in 1969 of the Department of Economic Regional Expansion which later became Industrial Regional Expansion after merging with Industry and Commerce.

In 1987, the Department of Regional Industrial Expansion was once more dismantled, and its federal responsibilities are now those of the Federal Office of Regional Development.

The problem is that the various regions not only do not have the same financial means but their development opportunities also differ, resulting in what has become to be known as "regional disparities". However, the concept itself of regional disparities creates a problem. An easily identifiable phenomenon, regional disparities—if we talk of a sector like Toronto or a region in the Maritimes—have very often been mistaken for regional development. This explains why, after identifying a higher unemployment rate in some provinces, the government adopted job creation policies, in other words policies that would possibly disguise the symptoms without eliminating their cause.

The fact of the matter is that a difference in the level of unemployment, productivity or income can be explained by many factors affecting the regional economy together or separately and, in many instances, each case calls for different measures.

In summary, regional development programs have no doubt given positive results over the years, but in the majority of cases, they have not succeeded in alleviating regional disparities in Canada.

The disappointment voiced about those programs brought about frequent reorganizations—which I have listed—of federal initiatives in that area. However, many of those initiatives showed that various governments wanted to have an impact on regional development policy without wondering whether it was consistent with the existing needs and programs.

However, many programs were designed only for job creation, with no thought of first changing the underpinnings of local economies, which would have paved the way to sustainable growth. Usually, job creation means economic growth. We should be careful not to confuse growth and development. Growth does not imply anything as to the future of an area, whereas development means that extensive changes will improve the ability of the region to generate wealth.

Some 25 years ago, the federal government commissioned a group of professors from the Université de Montréal to conduct a study on Canada's economic development. This study is responsible for the social and economic concept whereby the main ingredients of development—capital, higher education, technology and decision-making—are concentrated around major urban centres. It is assumed that the surrounding areas will benefit from an active urban centre.

Over the past 25 years, we have had several opportunities to evaluate the perverse effects of this theory: chronic unemployment in the regions, emigration of our young people, and under-financing of regions. Yet, no serious effort has ever been made to counter this approach.

The first thing to do to foster regional development is to make money available for investment. Mr. Daniel Johnson understood that, and his strategic plan for the Montreal area included the creation of a corporation called Innovatech and the allocation of \$300 million. He had understood the importance of capital, something we are lacking in the regions.

That same government encouraged all regions in Quebec to draw up a strategic plan and gave them \$3 million each, for a total of some \$50 million for two thirds of Quebec, while the Montreal area, with one third of the population, was getting \$300 million. Clearly, a better balance would have been advisable and would have helped the regions more.

That example shows all too well that the political weight is inversely proportional to the democratic weight in the area of regional development planning. Therefore, it is important, even though public funds are less abundant than before, to allocate sufficient amounts to allow investors and businessmen in the regions to get the levers working on their behalf.

Federal-provincial agreements on development are one of the instruments that regions can use. However, the standards and the decision process should be made more flexible in order to

reduce delays and obstacles. Also, the money should come from new funds and not from funds taken from one program to finance another.

There are also other ways of stimulating regional economy; I am thinking here about tax measures. During the eighties for example, mining exploration companies benefitted from a flow-through share program which allowed a tax credit worth 133 per cent of investments, once federal and provincial tax credits were calculated. Thanks to that program, individuals could invest tax deductible venture capital, which is greatly needed, and companies had funds to operate and thereby discover new deposits that are in operation today.

(1215)

People should know that there is at least a seven-year period between exploration activities and the moment when a mine begins full production; that is why it is so important for the mining regions of the country that funds be allocated to support research and exploration for future development.

It is possible, Mr. Speaker, to be creative and to come up with new tax incentives suitable for specific development sectors in different regions. In the same vein, we must give investors loan guarantees and allow them interest-free periods when they borrow money in order to contribute to regional economic recovery.

We could also offer tax benefits to companies who set up or maintain their headquarters in the region instead of locating in large centres. The feeling of belonging and the sense of civic and social responsibility of people living in the regions are directly dependant on the presence of decision-makers in their community.

In my riding of Abitibi, we really suffer from the sale of large corporations to multinational logging companies. Like my fellow citizens I regret the situation that resulted.

Other conditions come into play to stimulate a region's activity and the government can act upon them. It can stimulate sectors like transport, telecommunications and support research in the region's socio-economic component, whether it be fisheries in the Maritimes, forestry in my region, or mining.

If we want to be able to meet the challenges of tomorrow, we must put decentralization as a basic tool for change at the heart of major economic and political debates. Already implemented in a lot of countries, decentralization seems to be an important and unavoidable factor in the evolution of a modern Quebec. Its success relies on the political will to make local government responsible for certain aspects of economic, social and cultural development.

The main objective of decentralization is to allow citizens to take over the development of their economic, social and cultural environment, and to give them the power, through their elected

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representatives, to influence matters of concern to them in their daily life.

Not only does decentralization put governments in closer contact with the people, making them more able to meet the needs of the population, promote public participation, and diminish red tape, it is also aimed at preserving local customs which make up a community's heritage. Thus, a central government finds it harder to unilaterally impose the values and way of thinking of national elites. However, I realize that decentralization is not a cure for everything that ails us, but it does have the merit of bringing power closer to the citizens, allowing them to voice their opinion on development policies and public administration and to have a say when the time comes to set priorities and choose appropriate measures.

At the present time we are witnessing the delegation of power, rather than a true decentralization. In the context of a real decentralization, duties and responsibilities would be shifted onto local governments, enabling them to have a decisive influence on the development of their community.

Decentralization would create conditions favourable to the formulation and implementation of a regional development strategy which would complement sectoral national policies. Such a strategy would maximize the potential of each region and identify specific sectors of activity.

Decentralization is a form of government characterised by the transfer of authority from the central government to local governments. It rests on the free administration of territorial communities. I believe that it would foster long-lasting job creation, which in turn would lessen citizens' dependence on the welfare state.

[*English*]

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, the hon. member in his presentation stated that he wants both a reduction in taxes and an increase in government spending on these regional development programs.

It seems like a contradiction to me and I would like to ask the hon. member how he would propose we go about making these tax decreases while at the same time increasing spending on regional development programs.

(1220)

[*Translation*]

Mr. Deshaies: Mr. Speaker, to answer the question, I do not believe that I ever said I wanted a reduction in taxes. I did talk about transferring more money to the regions.

I think the Reform Party agrees with us that this would be a more effective way of managing our own money, instead of letting outsiders make decisions that affect local communities. We know that people in our region are quite resourceful when it comes to many fields of endeavour.

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For instance, I cannot see myself telling fishermen what to do, because I know nothing about the fishery, just as someone who has no experience in the mining sector and who lives 1,000 miles away from the region would not be in a position to formulate policy for this sector.

I apologize if I did not make myself clear and if the hon. member understood me to say that I wanted a reduction in taxes. That is not what I said. I said I want more money to be transferred to the regions so that they can take responsibility for their own future.

[*English*]

Mr. Alex Shepherd (Durham): Mr. Speaker, I would like to thank the hon. member for Abitibi for his intervention. I was very interested in his discussion about transfers. I presume we are talking about transfer payments, all kinds of payments that go from the federal government into the local provincial jurisdictions.

I also listened with interest with respect to the empowerment of individuals within the province, in particular his province of Quebec. In view of that thought process I wonder if what he is suggesting is that with something like the equalization payment transfer system we should be transferring these moneys directly to the municipalities in the province of Quebec and not to the provincial government. Would that be his suggestion?

[*Translation*]

Mr. Deshaies: Mr. Speaker, those who worked in regional development planning know that municipalities are not the only bodies involved. Quebec has RCMs, regional county municipalities, which bring together many municipalities and set regional priorities.

These groups or CRDCs, which also work on joint action, all bring together people from a county or a region; here we are talking about a county as a political unit but there are also regional units with their own particularities. These people meet and set policies which they apply with the funds received. For example, if we in Abitibi want to promote tourism with the funds received, we can use those funds for economic development, but if the decisions are made in Montreal or Ottawa and they say that tourism is no longer a priority that they encourage, we do not qualify for funds.

That is really how we can develop our regions, not by waiting for directions to come from the provincial level in Montreal or the national level in Ottawa. I think that the debate should be on this issue. We must know if each region can take charge; it is not a matter of knowing how much it will get. The amount can always be negotiated, but how it will be negotiated is the most important point.

Mr. Michel Daviault (Ahuntsic): Mr. Speaker, I am pleased to speak on this Bloc Québécois motion respecting regional

development. It condemns the federal government's ineffective regional development interventions.

In fact, according to the April 13, 1994, newsletter of the Federal Office of Regional Development—Quebec, or FORD, in Quebec, the employment level was still 73,000 jobs short of its pre-recession level. Major disparities have been reported in documents from the Federal Office of Regional Development—Quebec.

For the 1980–1992 time frame, Montreal ranked 19th out of 25 metropolitan areas in Canada in terms of job creation. Montreal has the fifth highest unemployment rate of all these metropolitan areas.

(1225)

As far as poverty is concerned, there were 674,000 people living in poverty in Montreal, that is to say 370,000 more than in all of Atlantic Canada. And when I say this, I am by no means minimizing the impact of poverty on Atlantic provinces. In fact, I will take this opportunity to say that regional development programs are not hand-outs but a responsibility that all of us must share.

In a speech delivered on March 8, 1994, the Minister of Industry stated: “Our party and our government are clearly committed to economic development and job creation in the Montreal area”.

How many specific measures and clear commitments regarding regional development in Montreal were included in the Minister of Finance's budget? None, not one.

The people of Montreal will have to make do with whatever will trickle down to them from the \$150 million fund, the Montreal development fund, announced in 1992 by the Conservative government. I did not know the Liberals were this happy with what the Conservatives had done.

Not only will the FORD—Quebec be affected by departmental operating budget reductions, but its own transfers to business will be cut by \$70 million, or 25 per cent of its total budget, over the next three years.

Let us take a brief look at the problem in Montreal. According to the Federal Office, Montreal's growth is curbed by its many slow growth sunset industries, with few high technology industries which still depend mainly on military contracts.

The Lachine Canal region, the cradle of Canadian industrialization, and east-end Montreal are two areas of chronic under-employment.

The Island of Montreal was also left a heritage that seriously hampers its development: contaminated soils. According to experts in this field, over 5,000 hectares show environmental damage. In addition, the unchecked suburban development of Montreal has led to an urban sprawl out of proportion to its population.

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This urban sprawl has increased the burden on Montreal's road system and shrunk its municipal tax base.

The City of Montreal has estimated it needs \$2 billion to modernize its basic infrastructure. The scant \$200 million promised under the tripartite infrastructure program will not go very far in resolving a problem of this magnitude. The Liberal government could have focused its infrastructure program on renovating the basic infrastructure, as the Federation of Canadian Municipalities initially proposed.

The federal Liberals thus abandoned an important initiative in the City of Montreal, the engine of Quebec, in favour of the shortsighted election requirements of a provincial Liberal government in distress.

The regional transportation network still shows obvious deficiencies: chronic congestion of several road segments, advanced deterioration of the road infrastructure, which compromises the network's efficiency and safety, as well as discontinuity of the road network.

Let me also mention the underutilization of the aging rail infrastructure. This situation seriously complicates the transportation of passengers and freight throughout the territory, thus affecting people's quality of life and the economic competitiveness of local businesses.

The major transportation infrastructures, namely the two airports, the port and the railways, which confirm the economic vitality of the Montreal region on the global markets, are faced with a quickly and deeply changing environment.

Practically all of these major facilities come under federal jurisdiction. Most of the measures that could help are the responsibility of this government; this is no doubt its most dismal record.

But Montreal also has strengths. The first and the most important one by far is its people. Indeed, as the bad news kept hitting our people, they became more resilient. A spirit of solidarity developed in the neighbourhoods, and local political and socio-economic elites joined forces.

In fact, a number of regional exercises were undertaken, including the Pichette report, as well as the 1992 conference of Greater Montreal mayors, whose theme referred to the Greater Montreal as a strong entity asserting itself. Moreover, the need for interregional solidarity is being recognized in every regional discussion and meeting in Quebec.

(1230)

In that regard, the FTQ stated this, during its 1992 congress: "To revitalize Quebec's economy, the development of Montreal must not be opposed to that of the regions. Regional development in Quebec will have to take into account the regions' complementarity and promote interregional development".

The task force chaired by Mr. Claude Pichette held a vast consultation exercise with Montreal stakeholders, and a clear wish for autonomy emerged. We must particularly point out regional development initiatives in urban districts by CDECs, which are the Corporations de développement économique communautaire. In this regard, it is more than desirable to extend agreements between the different levels of government, the City of Montreal, and CDECs.

The Pichette report also pointed out that Greater Montreal's strategic plan had recognized the importance of the role played by CDECs, and in fact proposed to strengthen their means of action to promote job development. Indeed, the stimulation of employment is the primary goal of CDECs. However, these corporations were painfully trying to find their way around through the current duplicating and mess in the occupational training programs of the federal and the provincial governments. New corporations are being created in Ahuntsic and Côte-des-Neiges, or are in the development stage, as is the case in Montréal-Nord.

Business assistance is the second sector of activity of CDECs. It seems however that such partnerships between the various levels of government, the city of Montreal and community organizations must be based on longer-term agreements, because they deal with structural problems, social as well as economic issues that are linked to the de-industrialization of the Montreal area, as was mentioned in the Pichette Report. Provincial and federal civil servants still have some serious reservations about this kind of partnership.

In the areas of local control, development, decentralization and priority planning, our communities have done their share. The city of Montreal has actively supported them and has often acted on their behalf with the higher authorities. At best, resource allocation to the CDECs is more like a redistribution of old money. That means less money for everyone when resources are scarce. There is no will to act. Consultations with the people and the community organizations, interregional initiatives and local control must all be supported. The people in Montreal have learned to rely only on themselves and have shown how dynamic they can be.

It is also important that the regions be in charge of their economic development. The federal government should yield to this evidence. What the regions really want is some support from other levels of government, and not more government intervention and so-called national standards. By definition, regions have their very own identity, they are not merely a part of the country. They have special features and special needs.

Therefore, it is important that we recognize, for example, that the Montreal census metropolitan area is a region in its own right. This metropolitan area has a core city, that is Montreal, whose regional and international characteristics must be recognized and supported by its regional partners as well as by the higher levels of government. It is important also that the federal

Supply

government be committed to respecting the development of this greater area.

In fact, the federal government must recognize Greater Montreal as the “representative of the metropolitan area” in economic matters and it must coordinate its economic development action at the regional level. The lack of efficiency of the Liberal government in matters of regional development results in an administrative chaos and sterile overlappings which are harmful to the economic growth of all regions.

I would indeed like to quote the recent figures of the Economic and Regional Development Agreement, or ERDA. In the last stages of the agreement and only a few months before it expired, on March 31, 1993, the two governments had spent only \$281 million, that is just 34 per cent of the planned \$820 million. Quebec and Ottawa are equally bad in this case. The first has spent only \$126 million out of \$380 million, that is 33 per cent and the other, which is the federal government, has spent only \$155 million out of the planned \$440 million, that is 35 per cent.

Montreal has so far paid dearly for the federal government’s lack of efficiency in matters of regional development.

[*English*]

Mrs. Jean Payne (St. John’s West): Mr. Speaker, I thank the hon. member for his comments and his speech, and for the many comments that he made about inter-regional solidarity and co-operation between regions.

(1235)

I ask the hon. member whether he feels that this same kind of co-operation must exist between provinces, particularly between Quebec and other parts of Canada, and that in fact the Bloc is the very reason that this kind of co-operation does not exist right now and that its philosophy and the way it wants to handle the government is one of the reasons that the solidarity that we need is not now there.

[*Translation*]

Mr. Daviault: Mr. Speaker, I think that we have wasted a great deal of time talking about big national issues this morning when we should be concentrating on regional development. It is not in our best interests, in dealing with such an issue, to provoke one another. I am not suggesting that the hon. member is doing that, but we have heard this morning some remarks that were not particularly edifying.

However, on that point, I do not think that we are a cause, but rather a consequence. Imagine, after eight or nine years of Conservative rule, after the GST, after the scandals, after all the Conservative government inflicted upon us, Quebecers still remembered 1982 and the Trudeau government and they did not

trust the Liberal Party. The Liberals keep talking about the red book. Quebecers rejected the red book in the last election. During the campaign, every single analyst in English Canada seemed to take pleasure in saying that there would not even be ten members of the Bloc in this House after the October election.

The people from Quebec have a very good memory and, in that respect, some great measures have to be taken. In committee, I had an opportunity to talk with the clerk of the Privy Council, who told me about the need to strike a balance after Charlottetown. There is no proposal on the table. Where is that balance between the regions and the federal government? The parliamentary secretary who got all worked up about Quebec’s independence a few moments ago—I do not want to mention his name—has a vision of a united Canada. He is entitled to his vision, which I respect, but that vision has been rejected and continues to be rejected. How are we going to strike a balance between English Canada, which thought that the Charlottetown Accord gave Quebec too much power, and Quebec, which thought that the offers on the table were nothing but crumbs?

Mrs. Pierrette Ringuette-Maltais (Madawaska—Victoria): Mr. Speaker, I would like to thank the Bloc member who agrees with me that regional development programs, particularly the one for Atlantic Canada—which benefits the Gaspé Peninsula to a certain extent—are not hand-outs like the Reform member said, drawing heavy applause from some Bloc members.

I would like to stress that, indeed, Canadians and Quebecers have a good memory. As far as regional development policies are concerned, I remember the time when I lived in the Quebec North Shore area in the 1970s. It underwent a true industrial, economic and social revolution with the help of a Liberal government in Ottawa. I remember that vividly. But some people have a very selective memory. They remember things that may not have been really needed at the time, but they seldom remember and praise good things that were done. This is a case of selective memory.

(1240)

As concerns the remarks of the hon. member, I would like to mention that, as the member for Madawaska—Victoria, New Brunswick, I am not part of what he calls English Canada. Mr. Speaker, there is no such thing as an English Canada and a French Canada. There is one Canada from coast to coast, one nation made up of founding peoples and immigrants, a nation of which we are all extremely proud.

The Deputy Speaker: The hon. member for Ahuntsic has the floor for the same period of time as the hon. member who just spoke.

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Mr. Daviault: That is a lot, thank you. Listen, we are caught in a confrontation dynamic. The time for negotiation is over. The federal government as well as the sovereigntists want to settle the question once and for all, they want to put the question to Quebecers. I believe that it is fundamental that they do it. I was among those Quebec nationalists who believed in the “beau risque”, the risk worth taking, who were criticized by people like the parliamentary secretary—I know, I cannot say who has now returned—but who were also criticized for their stand on the Meech Lake Accord. An agreement was possible, as if it was always—

Mrs. Ringuette-Maltais: What has that to do with my comments? You are not answering what I said!

Mr. Daviault: No, but it does not matter.

An hon. member: No question was asked!

Mr. Daviault: No question was asked. Comments were made on the Meech Lake Accord and the member who has a unitarian view.

Canada is composed of regions. Quebec is a society made up of all its citizens. In this society, a francophone nation has developed and acquired an identity. These people call themselves Québécois. There is a Quebec nation just as there is an Acadian nation. It is very clear to me, and when I speak, it is mostly for Quebecers.

My ancestor is of Italian origin, and his name was Davia. He was a mercenary for the king of France. He liked this country, and stayed. This country is mine. We were French Canadians. We are now Quebecers. We tried to get an agreement, we really did. Now the big question has to be put. The federal government does not want to make any new proposal. Sovereigntists want to take another road, and Quebecers will have to decide.

Mr. Martin Cauchon (Outremont): Mr. Speaker, dear colleagues, I am very happy today that my colleagues from the Opposition have picked this day to discuss an issue that is very dear to me, that is, of course, regional development and regional development policies.

I want to tell you from the start that this issue is dear to me because, now that I am the member for Outremont, I am extremely proud to represent that riding which I cherish. I must say that to sit as the member for Outremont, with all the history of that riding, gives me, as they say in Quebec, a thrill and I feel very proud.

However, I must emphasize that I am also from an area of Quebec, more precisely La Malbaie, in the riding of Charlevoix, which is far from the major centres. I must underline to the Speaker that, being from that area, I became familiar with all the problems of regional development and all that they entail. Indeed, I want to tell you that one of the reasons why I joined the Liberal Party was in fact because of its great openness towards regional development policies.

You know, Mr. Speaker, Canada as such, and it is being said regularly, because these days I have had the chance to travel throughout Quebec, I must be travelling all over Quebec at least once a month, these days, Canada as a whole is a huge cultural patchwork, and we regularly say it loud and clear, but it is also, if I may say so, a geographical patchwork.

(1245)

There often are regional disparities within the same region. It is fortunate that Canada is a cultural and geographical mosaic. It is for this reason that Canada is what it is. It is for this reason that Canada is such an attractive country. It is for this reason that Canada shines everywhere in the world. It is for this reason that so many people visit Canada.

I joined the Liberal Party because, since my early childhood, the Liberal Party has always symbolised this openness to what we really are, essentially a great country which has to be united and a great country whose regions must be respected.

Today, when you look at what is going on in the world, it is clear that we are faced with globalization which of course involves the whole issue of cultural and economic co-operation.

The Liberal government understood the key to the future for us in Canada. The key to the future lies in the great principles of co-operation. Since October 25, we have taken a very open approach to consultation and co-operation. As far as I am concerned, this is the key to the future and this is the approach taken by the government.

When speaking of consultation and co-operation with partners, we mean of course private enterprise. We also mean the various levels of government. The Liberal government of Mr. Chrétien understood that we had to be united in order to build something. It put forward several principles, already contained in the Martin budget, to improve and enhance co-operation between federal, provincial and municipal governments.

As you know, and I mentioned that earlier, the Infrastructure Program is an eloquent example of that new policy and that new philosophy. The program is also an outstanding success.

As you know, the idea of co-operation is not new to the federal government and the Liberal Party in particular. As early as 1974, governments began to implement what was called general agreements on regional co-operation and development. The same year, two of those agreements were successively implemented in co-operation with the provinces and in particular the one I represent, the province of Quebec. All those initiatives were created to allow for an appropriate exchange of information to save money but also, as was well acknowledged and publicly known, to better serve the Canadians, because we must not forget that the primary goal of any government is to provide services. This is why our philosophy is based on consultation, which makes it possible to better understand the needs of each area.

Supply

Therefore, we are trying to create harmony between the various levels of government and I must say that we are also trying to create harmony within our own system, the federal system, and within our institutions. I would like to say that right now Mr. Chrétien's government is making considerable efforts—and efforts were made previously—to eliminate any form of overlapping, first of all at the federal level. I must say also that since 1974, a fantastic co-operation has emerged between the provinces and the federal government which has led to various side agreements in various areas that I will name.

For instance, there have been agreements between Quebec and federal departments, and I am not referring to general agreements including both governments in the broader sense, but rather agreements at the departmental level, that is between provincial and federal departments.

(1250)

The areas that have been affected, Mr. Speaker, are the following ones. For example, we can talk about an industrial agreement and side agreements on tourism, culture, forests, minerals, agri-food, communications and fisheries, transportation, science and technology.

I am proud to say that today, because it is the way to go. Recently, the government showed once again that it is the way to go. It showed that dialogue and believing in a country and in a system can give rise to very interesting results for all regions in Canada.

Recently, for instance, on April 18, an agreement called St. Lawrence Vision 2000 Agreement was announced. That agreement involves several departments at the federal level and implies some co-operation with various levels of government.

The proposed agreement will cost \$191 million and will be based on protecting and cleaning up the St. Lawrence River, which is an essential waterway for the economic development of the eastern part of the country and also for the economic development of Quebec.

Within the context of the St. Lawrence Vision 2000 Agreement, I would like to give you a list of the departments involved at the federal and provincial levels. And then people will argue that the system in which we live cannot work properly.

Of course when you come to the House of Commons with the defeatist attitude that the present system does not work, you cannot build anything on that premise. I wonder how you could build an independent Quebec with people whose outlook is so pessimistic.

To get back to federal-provincial co-operation, the St. Lawrence Vision 2000 Agreement involved the following departments and agencies: at the federal level, Environment Canada, Fisheries and Oceans Canada, Health and Welfare Canada,

Agricultural and Agri-Food Canada, Canadian Heritage, the Federal Office of Regional Development; and, at the provincial level, in Quebec, Environment and Wildlife, Health, Social Services, Agriculture, Fisheries, Food and Municipal Affairs.

As you know, since the Chrétien government came to power, one of its policies has been to help small business. With the advent of globalization, small businesses must adjust to the new international focus on markets. If you look around, not just in the province of Quebec but all over Canada, and if you go and talk to owners of small businesses in their communities, as I did in recent months, you will see that they realize their future will depend on consultation and co-operation with various sectors in the community and with various levels of government. As many business owners will tell you, they really have no choice.

They have no choice because today, the changes taking place in the economy, technology and business, in the broadest sense of the word, are occurring at an incredible rate. Today, networking is not a luxury but a necessity in order to exchange information and become more competitive and more efficient.

Small businesses in Canada have the right attitude, an attitude that is in line with what the present government would like to see, since it reflects the international context of our markets. In the eighties, Canada signed a free trade agreement with the United States. Not long ago, this government signed a North American Free Trade Agreement.

(1255)

We also know that as a result of GATT, the economy is becoming increasingly globalized, because the terms of this agreement provide for eliminating all forms of tariff barriers. Incidentally, I read some books by a number of politicians in Quebec not long ago, and according to them—this is not a direct quote because I do not have the text in front of me—because of globalization, the way of future might be a world federation, an international federation that would eventually unite all countries.

We in the federal government have understood the need to look ahead and consider the broader perspective. One of the federal government's current instruments to help the regions, and one of which I am particularly proud and which is headed by the Minister of Finance, the Hon. Paul Martin, is the Federal Office of Regional Development for Quebec, an instrument that we as a government use to implement what we call regional development policies.

There is a connection with small business, because as you know, not long ago, the Minister of Finance made a speech, and a very good one, on the new philosophy of the Federal Office of Regional Development for Quebec, and he clearly indicated that we would put the emphasis on small business. And why should we stress small business in our regional development policies? For the simple reason that since the end of the seventies,

companies with fewer than 100 employees are those that benefited from government assistance and that generated 2.3 million jobs in Canada, that is 87 per cent of the total number of jobs created in this country. It does not take a genius to realize that adequate knowledge of the community and support for small business are the two pillars of regional development.

I am proud of this initiative to support small business, because small businesses always have closer ties with the community, and history has shown they are also better able to weather a recession. And a small business is usually more loyal to its employees. These are businesses which, as they diversify, will provide Quebec and Canada with a reliable economic infrastructure that will make it possible for us to think globally.

Not long ago, we went ahead, as we said we would during the election campaign and as Mr. Martin explained on numerous occasions, we went ahead with pre-budget consultations, a very open process aimed at implementing the government's new philosophy on co-operation and consultation. Its purpose was to ask the public what it expected of the government generally in terms of budgetary policy.

One fact to clearly emerge from this consultation process is that people really do want us to provide assistance to the regions. However, the government did receive one very clear message, namely that the public no longer wants it to intervene on a massive scale and to pour large sums of money, often unwisely, into useless programs which fall by the wayside after a certain period of time.

Proud of this consultative process, the minister has given a new mandate to the FORDQ for which he is responsible and has retargeted this office's objectives. The end result is that the regional development policy advocated by the FORDQ is tailored to the people's demands. Clearly it is much more focused and as such, it will be much more effective.

(1300)

Among other things, the FORDQ will focus on innovative actions such as technology transfers, design, formative regional projects, in particular, I might add, in the field of tourism. Efforts will be made to provide assistance to businesses to help them compete internationally and to get plugged in to the information highway.

Therefore, provided consultation takes place and the government is positive and open, we can succeed. Canada is currently making preparations to confront the markets of the 21st century. I find it odd to see members of the Bloc draw comparisons which are often weak between Canada and the European Economic Community.

Supply

For example, Mr. Bouchard mentioned that a sovereign Quebec would use the US dollar just as the Europeans do. That is a very lame comparison indeed. For starters, the European Economic Community is an economic union which seeks to develop political ties. We are one step ahead of the game since we already have these political ties. However, the European economic union will use a common currency, the ECU, not the currency of one of the 12 member countries, unlike what Mr. Bouchard was suggesting when he said Quebec would use the US dollar, the currency of one of the countries in North America, as if Quebecers were a colonized people.

I will not deny that the current system is not perfect, but with some consultation and some fine-tuning, we can effectively build a competitive Canada and Quebec for the future. However, if we embrace the view of the members of the official opposition, we will be looking ahead to constitutional debates which, even after a future vote on Quebec's separation, could drag on for five or ten years. This is valuable time. Important technological changes are taking place and we must not miss the boat.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I was amazed to hear the hon. member for Outremont mention, at the very end of his remarks, that the European Community was taking the same road as Canada. I find that quite extraordinary, since the great strength of the European Economic Community lies in the fact it is made up of sovereign states.

I would like the leader of the government, the Prime Minister—because this is certainly not something the hon. member for Outremont would do—to go before the French National Assembly and tell the people of France that they are taking the same road as Canada and that, ten years from now, France will no longer be a sovereign state. I would like to see the Prime Minister stand in front of the Bundestag, in Berlin, and tell the Germans that their country is on the way to losing its sovereign status. I would like to see him do the same thing in Westminster. It is really double talk. I imagine that the Prime Minister would be advised against making such a speech. Perhaps he would come to that conclusion himself.

Let us take a look at what serious international figures have to say, people like Mr. Boutros Boutros-Ghali, the Secretary General of the United Nations, who told us in Montreal that there are two main tendencies in the world today: one toward nations and peoples forming into countries and the other toward the same countries getting together to form larger economic entities. That is what is happening in Quebec and what the Liberals were objecting to during the debate on free trade. They ran the 1988 election on opposing free trade in the name of Canadian nationalism. All is very well to talk about nationalism in reference to Canada, but in reference to Quebec, it becomes a mortal sin. I find this double talk rather strange.

Supply

(1305)

These people—even the Liberal members of the National Assembly in Quebec City, and in their case it is shameful—refuse to recognize Quebec as a nation. And yet, they are sitting in the Quebec National Assembly. As far as I know, national, as in National Assembly, refers to a nation. If Quebec were not a nation, but a society, then it would have been called the Societal Assembly!

This name was voted by a Premier who headed the Union nationale—National Union. So, I would like to know what the hon. member for Outremont is saying exactly. Is Quebec currently a nation within the Canadian federal system or is it not a nation?

If not, will he commit to advise his Liberal colleagues in Quebec City to change the name of the Quebec National Assembly? It is sheer nonsense to call it that if Quebec is not a nation! I would like him to comment on that.

Mr. Cauchon: Mr. Speaker, first of all, I would just like to stress how sorry I am to hear opposition members say that, as members from Quebec, we should be ashamed of saying this or that just because they think we do not share their philosophy. I can tell you right off the bat, Mr. Speaker, that, as a Quebecer and a young politician from the new generation, I have always been proud to respect the opinion of my political opponents because even if I do not agree with their philosophy, some of their ideas can certainly result in things that could benefit all of Quebec and all of Canada.

The only thing I ask in return from the opposition party is to respect my philosophy which, of course, puts Quebec within Canada.

Having said that, before I come to the national issue, the hon. member tried to make fun of my position on the European Economic Community. I want to tell you that I studied the EEC for a year in England and if I may—you can thank me if you want—it is obvious to everyone that the 12 members of the EEC—that number may soon go up to 16—are sovereign countries linked by an economic union with the four categories of movement; it is an open secret.

However, what I was saying—and I cannot comprehend why the hon. member does not understand—is that they tried, especially during the Gulf War, to establish non-economic links between themselves to build the Europe of tomorrow.

Whether we are talking about the ECU or the collective foreign policy they put to the test during the Gulf War, I think it is a step beyond the economic links. In essence, what I am now saying is that our economic links within Canada will soon be much better because, by the end of June, we will have an

agreement with the federal government and all the other provinces on interprovincial economic trade.

I hope this will lead to freedom of action in the four existing categories of movement. In Canada, we also have political ties provided for in the Canadian Constitution and I say that there is a certain similarity between the two. Europe is building a union which may eventually lead to shared political sovereignty, we do not know.

Now Canada, which has had a very rewarding union, is essentially refining the internal ties. You know, we live in a framework that has proven itself. We have experience with regional development policy so that we can sit down and set appropriate policies for tomorrow, whereas the opposition party talks about separation and sovereignty and anything you want, but when the time comes to say clearly what a sovereign Quebec would be, we run into a Berlin wall; that is, we get no answer because they do not know themselves what a sovereign Quebec would be—it is total uncertainty. That is why I feel somewhat humiliated as a Quebecer when I see Lucien Bouchard cross the Atlantic to ask the French government for its blessing on separation, Mr. Speaker, even before the people of Quebec have voted in the next election and before the plan for separation has been explained to them and they have given an answer in a referendum, which is now very hypothetical.

(1310)

I feel rather colonized, even though it is a word that disappeared from our vocabulary in the 1960s, when Lesage was in power. I feel rather colonized when I see Lucien Bouchard go to see the French and treat Quebecers like sheep and ask the French government for its blessing for a separate Quebec.

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, I listened to the hon. member for Outremont and I heard him refer to a new generation of politicians. However, I must say that, based on his answers, he looks a lot more like an old traditional politician.

I have another question for him, but first I want to make a comment. I have other questions on regional development, but I want to go back to a remark made by the hon. member.

Mr. Duceppe: They are sovereign states.

Mr. Brien: When the hon. member discusses an hypothetical issue and refers to the possibility of a sovereign Quebec and to Europe, he must not forget, as the hon. member for Laurier—Sainte-Marie just pointed out, that these are all sovereign states.

As for us, we want the Quebec of tomorrow to be open to the world and to be a free trader. Who is inward-looking? The hon. member is the one who alluded to a Berlin wall and who is saying that Canadians will refuse to be free trade partners with

Quebec. It is not Quebecers who are making these comments; it is members opposite who represent the rest of Canada.

I ask the hon. member: As a young Quebec MP representing Outremont and a new generation, is he young or old? Are his ideas young or old? This is what is important. Personally, as a young person, I am deeply hurt by his comments, because what I hear from people of my generation has nothing to do with these very partisan remarks. I ask the hon. member: In his opinion, is Quebec a nation? I ask him to give a clear answer and not digress from the issue. The question is very clear to those listening to us. Does the hon. member feel, as a Quebec MP representing the riding of Outremont in Montreal, that Quebec is a nation?

Mr. Cauchon: Mr. Speaker, first of all, members opposite are once again hurling insults, calling me an old style politician. At thirty-one, that is hardly the case. I think my view of the situation is entirely up to date. Nevertheless, I respect the views of the Bloc Québécois, even if its members do not respect mine.

That being said, I will answer the nation question when the Bloc Québécois has—

Some hon. members: Oh, oh.

Mr. Cauchon: Let me finish. When the Bloc Québécois—member, I am the member for Outremont and as a member from Quebec, I am very concerned about the hypothetical referendum debate they are trying to launch prematurely, a debate that does not respect the views of the entire population of Quebec.

I will answer this question as soon as they explain what they mean by separation. And as soon as they decide what they want to call it: separation, sovereignty, sovereignty association. As soon as they decide to be intellectually honest with the people of Quebec, whom I represent, we can talk about serious matters. In any case, answering this particular question might take as long as an hour, something like *Cyrano de Bergerac*!

The Deputy Speaker: I see another member who wants to ask a question. Is there unanimous consent for extending this period? I asked a question. Is there unanimous consent for extending this period?

(1315)

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: We will resume debate. Unfortunately, the time for questions and comments has expired. The hon. member for Trois-Rivières, on debate.

Mr. Yves Rocheleau (Trois-Rivières): Mr. Speaker, I am very pleased to take part in this debate which, understandably, arouses passions. First of all, I would like to congratulate my colleague from Kamouraska—Rivière-du-Loup for his motion which reads:

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That this House condemn the federal government's ineffective regional development interventions, which create overlappings and inconsistencies, resulting in an administrative chaos that hampers regional economic growth.

As we have seen, the debate can easily become acrimonious because it illustrates perfectly the problems of the federal system. As I said, it arouses passions because it reveals the intrinsic adversarial elements associated with the operations of two governments in the same field. Frankly, what interests us in regional development is the way the federal is involved in Quebec. We have conflicting interests; the Quebec government requests overall control of programs because it is responsible for development within its territory, while the federal government justifies its involvement by saying that one of its roles is to lessen regional disparities and uses its spending power, at times improperly.

It intervenes in various ways in regional development, through institutions which duplicate the work of similar Quebec institutions, thereby creating duplications, frictions, waste and confusion. I can give you a few examples.

The Federal Office of Regional Development is in direct competition with the regional secretariat for development and the regional development councils which have a program called business assistance fund. There is competition between the two institutions which have the same clients.

In the area of technological development, the National Research Council, which targets small businesses, is in competition with the Quebec department of industry and trade and its program Innovation PME. So we have two structures and two budgets and we therefore expend twice the energy.

In the area of training seminars for small businesses we have on the one hand the Federal Business Development Bank and on the other the Quebec department of industry. These are two structures which invite the same persons to the same kind of courses.

Then, there is the well-known area of vocational training. Everybody in Quebec agrees that this area is a mess. On one side we have the pretensions and the budgets of Employment and Immigration, and on the other the Société québécoise de la main-d'oeuvre, which has become an almost empty shell because of the federal-provincial conflict in the area of vocational training.

In a blatant disregard for the federal government, there is in Quebec a strong consensus among employers and employees, and all the parties involved, both at the public and para-public levels, to make vocational training the exclusive jurisdiction of the province.

As long as we remain part of it, we would like the federal structure to abolish all its training programs and to transfer their budgets to Quebec or, at the very least, to put these programs at the disposal of the Quebec structure already in place in every region.

Supply

I should add that when we talk about regional development, we do not mean just administrative structures or federal-provincial agreements.

(1320)

It is also something much larger, something which includes activities as well as institutions having, through their operation, a direct influence on regional development.

There are sectors which interest me particularly. The whole area of industrial conversion has an influence on regional development. The same applies to transportation, all the transportation policies—and I could give you in a moment some examples which affect directly my riding of Trois-Rivières—whether they apply to marine, air or rail transportation.

There are direct implications for regional development. We will see that recent decisions and government inaction have also had a direct impact on regional development.

When it comes to industrial conversion, it is very sad, not to say deplorable, to see, week after week, the lack of political will on the part of the present Liberal government. The parliamentary secretary to the Minister of Industry, who is directly concerned, is here. He can hear me. He knows what our position is in this matter.

It is an issue of the highest priority, and yet the minister seems to want to wash his hands of it. The situation is critical. Since 1987, in Quebec alone, 11,000 high-tech jobs have been lost. We cannot repeat it enough, it is totally unacceptable. It is nothing short of a large scale brain drain. People who deserve to work and should work, are no longer needed. The resulting higher unemployment is going to drive them away. The government must act now.

It cannot stand on the side line as it is doing now, claiming that it is waiting for boards of directors to submit their business plans to it. It must summon them, act as a catalyst, shame them in the public interest and ask them what they intend to do, given the geopolitical changes which are sweeping the world, and the fact that all over the western world, defence budgets are being cut. What does the private sector intend to do? We believe that it is up to the government to find out.

I forgot to mention that as far as R & D is concerned, the federal government has a leading role to play in terms of regional development. It must ensure that R & D funding is evenly distributed throughout Quebec, especially among university research centres and researchers. This will attract scientists who will improve the quality of life of people in each region and contribute to a richer and more articulate community life.

I will now raise the issue of transportation, starting with water transport. It is common knowledge that the federal Department of Transport is entertaining serious thoughts about privatizing

all Coast Guard operations in the St. Lawrence or even about making shipowners pick up the tab for Coast Guard services in the near future.

If ever shipowners were required to pay for these services, it is not difficult to imagine the impact such a decision would have on all St. Lawrence ports, especially the port of Trois-Rivières. What is to become of Quebec ports and how will they fare compared to ports where there is no Coast Guard, with ports in Eastern Canada or with U.S. ports?

If ever this decision was carried out, we would no longer be talking about regional development, but rather about regional anti-development. This decision could have some serious repercussions and all stakeholders must be very vigilant and oppose any such action.

With respect to air transportation, another issue which directly concerns my riding of Trois-Rivières in which a regional airport is located, Transport Canada's policy has been to divest itself of its airport assets. In a riding like my own, this issue has been under consideration for ten years. During the Liberal Trudeau era, the question was being reviewed and the repercussions are still being weighed today. Yet, a regional corporation is willing to take over the running of the airport and it is waiting for the two levels of government, federal and provincial, to agree on the fate of this facility. In the meantime, equipment is not being properly maintained and the situation is extremely dangerous.

(1325)

I have been told that the electrical wiring is outdated and that the cracks are getting bigger every year. This could prove hazardous to the member for Saint-Maurice who occasionally flies in to visit his constituents and stops by in my riding. In any case, the Minister of Transport would simply be showing some common sense by taking steps to ensure that the Trois-Rivières airport is in good condition.

Lastly, with respect to rail transportation, we sense that there is no political will on the part of the government to proceed with the high-speed train project. The conditions in our regions, including mine where the unemployment rate stands at 12.2 per cent, a ridiculously high level for 1994, are unacceptable. This illustrates the complexity of the federal system and the lack of political will. It also shows how the federal government's focus is more on centralization and maintaining a unitarian system. Quebecers will have to choose. Either they will choose to remain a province much like any other province, smaller and more regionalized than ever before within the post-referendum, unitarian Canada of the future, or they will choose to become the masters of their own destiny and become a sovereign nation, as others before them have done.

*Supply**[English]*

(1330)

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I would say to the member for Trois-Rivières that I have enjoyed working with him in the last three months in the industry committee where on behalf of all the small businessmen and women of this country, every region of Canada, we have worked hard as a team trying to access capital for small and medium size business.

I believe it was an example where the member for Trois-Rivières was not just thinking of the people in his riding or his province, but working on behalf of all Canadian small businessmen and women.

When I stand in the House today and say that I am totally opposed to separating this country and destroying this country, it is absolutely nothing personal. My difference of opinion is nothing personal with the member.

I believe this debate today is about spending power: Who has the spending power and who speaks for Canada in Quebec.

I have always believed that the best way to serve the disadvantaged regions was by having a strong national government so that from time to time when regions which were creating more wealth than others needed that wealth to be shared, this Chamber would say through budget and public policy: "Listen, B.C., Alberta and Ontario, you are doing better right now so we must share that with either Atlantic Canada or share it with Quebec". That has been the history and that has been the practice.

Whenever we worked as a unit in the House of Commons with a strong national government, especially under Prime Minister Pierre Trudeau, the people of Quebec prospered.

Does the member for Trois-Rivières not believe that the decentralized Government of Canada instrument FORD-Q working on the ground in Quebec is the best hope for looking after some of those very special needs that the member cited in his speech today?

[Translation]

Mr. Rocheleau: Mr. Speaker, I would like to start by thanking my colleague from Broadview—Greenwood for his nice comments on my role on the committee but it shows a little my mentality and probably that of many of my colleagues with respect to the relations that will have to be maintained in the future between two sovereign peoples. I think that the courteous and the civil thing to do would be to deal with each other on an equal footing without hate or prejudice. That is what I am used to. The quality and experience of the membership of the committee my colleague sits on also helped.

In response to the question, I think that with every passing year it becomes more obvious that this country has reached a dead end. What I have noticed in recent weeks, perhaps during the opposition leader's international travels, is that English Canadians seem to have discovered the sovereigntist movement, as though it started with Mr. Parizeau, leader of the Opposition in Quebec, and the member for Lac-Saint-Jean, Leader of the Opposition in this House. In fact, the sovereigntist movement has been around in Quebec since Confederation and as you know, there was no referendum before Quebec became a Canadian province. If I remember correctly, it passed by one vote among the Quebec representatives here in Canada's Parliament.

What strikes me is that we may have to question the role of the media in the evolution of the debate. Incidentally, 30 years ago here in Ottawa, there was the Laurendeau-Dunton Royal Commission.

Mr. Mills: Mr. Trudeau was not a separatist.

Mr. Rocheleau: No, I am talking about the sovereigntist movement that has been evolving for the past 30 years. I myself have been a sovereigntist since 1961. I was a member of the Rassemblement pour l'indépendance nationale, or union for national independence. The Laurendeau-Dunton report, which referred to the two solitudes, was published in 1963. We are not inventing anything, Mr. Speaker.

Four other royal commissions examined the patient and all came to more or less lame conclusions that promoted the growth of the sovereigntist movement. Why? Because first of all, we are a nation and now that we are better educated, we want to become a member of the United Nations. On the other hand, in this Canada we are condemned to always remain a minority if we stay in Confederation.

So, in my opinion as a long-time sovereigntist, these are the two main points underlying all our arguments. The sovereigntist movement is not, as has recently been suggested on French-language television, "a burst of pressure from the Quebec people" but, on the contrary, a fire that has been stoked up for a long time. The ashes are smoldering, the fire is hot, and Quebecers will soon decide on their future in a democratic fashion, Mr. Speaker.

An hon. member: That is good.

Mrs. Monique Guay (Laurentides): Mr. Speaker, I am pleased to rise on this Official Opposition day to speak on regional development. My remarks will focus on the Laurentian region, a major part of which is in my riding.

Supply

The situation faced by individuals in my region is very serious. In April 1994, the unemployment rate was 16.6 per cent. Add to that all employable welfare recipients who are out of work and this rate easily rises to 30 something per cent. One person out of three is out of work.

In Saint-Jérôme, a major regional center, the average annual income of renting households was \$22,835, while the provincial average was \$28,136. That is \$5,500 less. In Saint-Jérôme, one household out of four spends over 30 per cent of its income on housing. Things are even worse for 20 per cent of these, or 1,340 households, since 50 per cent of their income has to be used on housing. Most of these households, or 66 per cent, are lead by single mothers.

(1335)

These figures are telling. They speak volumes about the conditions that cause an escalation in poverty, hunger and health problems. These problems are increasingly palpable as they set in and take on proportions never seen before.

This account of the situation of the people in my region clearly shows a declining economy. For several years now, there has been no growth. We are justified in looking seriously into the whole issue of regional development, because, as we can see, it clearly does not meet its primary goal, which is to enable people to live comfortably in their regions.

The federal government was not successful in developing my region. The regional economic base is crumbling in spite of massive injection of money under general agreements. The social fabric is disintegrating, rural migration is continuing and young people are the first to leave their regions.

Developed regions, major centres, are expanding at the expense of regional resources. The problem can be readily identified on site and all those concerned are unanimous in denouncing the cause.

The interference of the federal government in the development of my region is causing horrendous administrative chaos, costly duplication and inconsistency. Development, which entails consultation, joint action and harmonization, is not designed by the federal government to accommodate these notions.

On the contrary, the government moves in and acts as if it owned the place. It does not examine the situation. It does not consult people. It does not have any regard for what has been accomplished so far. Even worse, they are incoherent and illogical in their regional development policies.

I have a specific example for you. In my riding, in a small municipality, the federal government, through the Federal Office of Regional Development, FORD, asked hoteliers and innkeepers to come up with plans to renovate their outdated and

run-down facilities and to harmonize them with the development of a major private ski resort then under way. The hoteliers and innkeepers produced these projects and plans in the expectation of federal financial support under APDA, the Assistance Program for Designated Areas.

These people did their homework seriously. The first step was taken; it only remains to carry out the projects. Unfortunately, they are still waiting and uncertain, since there is no money for this program. What good planning! What consistency! It is as if you drew up plans for a house but stayed outside because you did not have money to build it. These business people have been sorely misled.

Now let us look at strategic development plans. All regions of Quebec recently adopted such plans for themselves. They are drawn up in concert with the RCMs, local stakeholders and regional sectoral organizations. These plans are based on consultation and co-operation. They were developed very carefully, following a very thorough process to consult all local and regional interest groups.

What disturbs many community stakeholders is the lack of concern and of consideration for these plans shown by federal agencies and departments. All federal officials in the regions have these plans, but they never replied or bothered to compare their point of view with what the regions want and consider important and strategic for their development.

Even worse, since it did not consult the various interested parties in the regions, the federal government, through FORD, went so far as to have a firm of consultants draw up its own regional plans and this firm used data provided by the producers of the regional plans. This borders on fraud and is certainly a shameful waste of public money.

It is another fine example of duplication and, even more, an illustration of federal contempt and disrespect for Quebec's regions and the interest groups that seriously spent so much energy and money to come up with a clear vision for their regional development.

The federal government must change its approach to regional development. I am not talking here about section 25's or DEPs, which can be termed the welfare approach to regional development. I am talking about export assistance programs, technological development support programs, the program to help disadvantaged regions and so on. I am talking about programs which have real impact on regional development and are in no way linked to the regions' initiatives.

(1340)

I would like to make a digression about international markets to indicate that the regions are already selling goods and services on these markets. Given these facts, you have to agree that the federal government should review its regional development policies and harmonize its actions with those of the regions

which are already taking into consideration the new situation on the world market.

In matters of regional development, the federal government's record is far from brilliant. I think they should go back to the drawing board and fast. For the taxpayers, it is sad to see how the government is wasting their money.

Harmonious regional development requires more consistency in the actions of all levels of government. Given its inefficiency in this area, the best thing the federal government could do is to withdraw from this jurisdiction, as all social and economic experts have asked him to do, and to transfer to the province of Quebec all the funds allocated to the economic development programs which have some regional impact.

Of course, a sovereign Quebec would resolve this issue.

[*English*]

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, I was following the remarks made by the hon. member and she demonstrated that there are no good and effective federal-regional development programs.

I was looking forward to examples from her province that would benefit the federal government so those could be implemented in all regions.

I wonder if the hon. member would be good enough to give us some examples of what the government in her province implemented for regional development within the province of Quebec.

[*Translation*]

Mrs. Guay: Mr. Speaker, I just gave an example from my riding, but throughout Quebec and Canada there are several such examples of overlapping and duplication. The hon. member could probably provide examples from his own riding.

I will not give him any additional example, but I do know that, particularly in my region and in Quebec, there are enormous problems. The FORD is not doing what it should, while Quebec is doing its job. I am sure that if the hon. member checks, he will find similar problems in his region.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, the hon. member's speech is in perfect agreement with the findings of a Gallup poll to the effect that 82 per cent of Quebecers feel the Liberals are not managing the economy efficiently; 60 per cent of British Columbians think the same, as well as 52 per cent of Maritimers, 49 per cent of Westerners and 48 per cent of Ontarians.

This poll shows that the farther they live from the national capital, the further you are from Ottawa, the more unsatisfied people are. Does the hon. member not see this as a confirmation

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that government programs for regional development, not only in Quebec but also in the Maritimes and in the West, absolutely do not meet the specific needs of these regions, and that these national programs are not adapted to any region of the country?

Mrs. Guay: Mr. Speaker, I thank the hon. member for Kamouraska—Rivière-du-Loup. These programs obviously do not work, since the needs of each region are different. Where I come from, there are associations and groups conducting economic impact and regional development studies specifically for our region. However, these studies are not taken seriously. Valuable work is done at these conferences and meetings. Sometimes, it takes two, three, four or five months to do a serious study.

(1345)

Studies are done, but the federal government ignores them. The FORD does not work with us at all regarding these issues. We have always had problems. Even members of Parliament, try to get information from that office, but nothing happens. Everything is on hold. It goes without saying that regions must be involved in regional development. We are tired of seeing young people leave our regions and move to large urban centres because we have no jobs for them.

In Quebec, we have a very good structure to develop our regions; consequently, if we have our own development tools and if we can look after our own regional development, we will certainly do very well. However, in the meantime, and as long as the federal government tries to control and centralize everything and does not let the regions decide anything, we will unfortunately live in poverty as is the case now.

[*English*]

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I am happy to have an opportunity to participate in the debate today because I believe that this debate is really about who speaks for Canada.

I do not believe that we will ever resolve the debate with the Bloc Québécois because it does not believe in Canada. It is separatist. It will not recognize any federal presence, Government of Canada presence, in the province of Quebec. As long as it has that position of trying to destroy Canada then this debate is not going to go very far.

The fact of the matter is that we are a national government here in Ottawa but we are supervising one of the most decentralized national governments in the world. Many members of Parliament today gave very specific examples.

We have a decentralized instrument in Atlantic Canada called the Atlantic Canada Opportunities Agency which is a Government of Canada instrument on the ground working with the

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provinces and the municipalities. That unit is very sensitive to the diverse needs of Atlantic Canada.

As we become more and more dependent on the new economy and the new technologies, the Government of Canada presence is there to support those new emerging small and medium sized businesses. That instrument is in place.

In western Canada we have the western Canada diversification fund which is also a decentralized Government of Canada instrument working on the ground in every province in western Canada trying to be ultra sensitive to the needs of not just the region but of every province in the western region.

In the province of Ontario we have FedNor, an instrument in northern Ontario which is very sensitive because we are talking about industries which have very difficult times because of shipping distances and because we are going through a conversion in the north. We are moving into new industries there because our resource based industries can no longer sustain us. However, the Government of Canada has a presence there. The federal Government of Canada works with FedNor and with the municipalities and the province of Ontario trying to be sensitive to the needs of northern Ontario.

In the province of Quebec we have the Federal Office for Regional Development called FORD-Q. There are hundreds of examples of where FORD-Q is working in a decentralized way in every region of the province of Quebec, trying to make sure that the very issues of concern that the Bloc Quebecois is talking about today are addressed.

(1350)

The problem is that the Bloc Quebecois refuses to tell its constituents that there is a Government of Canada presence working on the ground in its region, getting policy direction from the national government in Ottawa, on the ground operating in Quebec in a very decentralized way. The fact of the matter is the Bloc members will not recognize these decentralized instruments because they are not interested in building Canada. They are interested in destroying Canada.

The thing that is beginning to really bother me about the Bloc Quebecois members is they now know that their separatist thrust is destabilizing the economy of the country. As they destabilize the economy of the country they are putting pressure on our interest rates. That cost to the national treasury is a heck of a lot more than some of the duplication examples that they gave here today.

I would be the first person to admit that our system is not perfect. There are examples, not just in Quebec but in every region of this country, in which we can show that there might have been some waste here or that there might have been a duplication there. That is no excuse for giving up on Canada. That is no excuse for saying I want to separate from Canada. If

they really believe in putting people back to work in their constituencies the same way that we in every other region of the country want to put our people back to work, then they would stop this *notre chez nous*.

Let us get real. We are dealing with the lives of millions of people here. We are no longer dealing simply with the lives of the people in the province of Quebec. We are dealing with the lives and the jobs of people from coast to coast in this country. This separatist let us kill Canada approach is really not in the best interests.

They laugh. This is a member of Parliament who served for 10 years in the Mulroney government, an ex-Mulroneyite sitting now with the Bloc. Their leader, another ex-Mulroneyite, is an incredible example.

Some hon. members: Shame.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, it is a very sad day for our country when people come to this boardroom not to build it, not to improve and not to look out for the unemployed in their ridings, but they know because they are not stupid people—you do not get elected here by being stupid—that this destabilizing talk that they are going through right now is costing jobs right across the country. It is destabilizing our economy.

When they talk about regional and economic development there is not a province in Canada that has had the benefit of the national treasury like the province of Quebec.

Mr. Plamondon: It is our money.

Mr. Mills (Broadview—Greenwood): It is not your money.

An hon. member: It is Canadian money.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, the Bloc Quebecois always comes up with this line that it is its money. It is not; the Minister of Finance announced in January under the equalization entitlements a further \$70 billion going to Quebec from Ontario, B.C. and Alberta. It just came off \$60 billion from the last five years.

(1355)

Those members do not tell their constituents that between the last five and the next five years from the provinces of British Columbia, Alberta and Ontario we have transferred \$110 billion. Almost one-third of the national debt is because of the province of Quebec equalization entitlements.

We do not resent that because that is part of our constitutional responsibility. What really bothers me is that in spite of our living up to our responsibilities in Confederation these people still want to come to this national Parliament and try to destroy the country. Canadians have lost patience with the Bloc Quebecois and I believe that eventually even in the province of Quebec there will be many people who will say that if they reflect over

history and talk about caring and sharing, Canada has really been a good package for the people of Quebec.

Some hon. members: Hear, hear.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, it is not as if we are standing on this side of the House saying that we have a perfect system but it is very tough to work with an opposition that really does not have any intention to constructively criticize or improve the fabric of Canada. It sits there day after day working away at trying to destroy the fabric of Canada.

I believe that in the very near future it will probably be living up to its leader's commitment that if it loses in the provincial election its members will all be resigning.

The debate today is really not about our regional development programs and their effectiveness because we have regional development programs in every region of this country. They are working. They can always be improved.

The debate today is really about who speaks for Canada and the Bloc Quebecois really has always had a resentment for the Government of Canada presence in the province of Quebec.

I believe that most Quebecers will realize when they look at the contributions of Health and Welfare Canada, Communications Canada, Industry Canada, Agriculture and Agri-Food Canada, when they look at all the money that has been poured into Hydro Quebec to help develop James Bay, when they look at all the money that has been put into training programs, when they look at the fact they received \$1 billion more in the last year just in terms of unemployment insurance and trading entitlements, I believe—

Mr. Plamondon: We want jobs, jobs, jobs.

Mr. Mills (Broadview—Greenwood): This traitor to Brian Mulroney talks about jobs. Do you know how you get jobs? You get jobs by trying to build this country, not by trying to destroy it. That is how you do it.

Some hon. members: Hear, hear.

Mr. Mills (Broadview—Greenwood): Mr. Speaker, the members opposite talk about jobs. They are not fooling the people of Quebec. I have a tough time saying Her Majesty's Loyal Opposition. It is an oxymoron with this crowd. Her Majesty's disloyal opposition is what they should be called.

When you think about the fact that these people are parading around the world—

[*Translation*]

The Speaker: It being 2 p.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

S. O. 31

STATEMENTS BY MEMBERS

[*English*]

NATIONAL STUDENT COMMONWEALTH FORUM

Ms. Marlene Catterall (Ottawa West): Mr. Speaker, I rise today to congratulate the approximately 100 students who participated in the National Student Commonwealth Forum in Ottawa on May 13 of this year.

The delegates from across Canada gathered to express their knowledge and views about issues facing Canada and the world.

Miss Julie Richard lives in the riding of our colleague from Ottawa South. Representing Sri Lanka, she received the award for the most outstanding delegate. Mr. Sachit Mehra of Winnipeg, representing Antigua and Barbuda, received an award for his exceptional performance. The best delegation was that of Singapore, represented by Benjamin Thwaites and Ryan Lawlor of St. Andrew's College in Toronto.

Forums such as this encourage Canadian youth to learn about different cultures and countries, international issues and the role that Canada plays in the world.

I congratulate all delegates and the volunteer forum planning committee for a job well done.

* * *

[*Translation*]

VIA RAIL

Mr. André Caron (Jonquière): Mr. Speaker, the Minister of Transport has announced he will implement the \$100 million cut in VIA Rail's operating budget proposed by the previous Conservative government. This cutback will cause a reduction in services to remote areas, possibly including the Jonquière-Montreal line.

This service, which connects my region to Quebec's major economic centres, is vital to the development and quality of life of the region.

In my opinion, the government should abide by the policy drafted by the Liberal Caucus in November 1989 and declare a one-year moratorium on any decision affecting VIA Rail, in order to allow for public hearings.

However, the minister has refused to consider public consultations. It is another indication that when they were in the opposition, the Liberals were far better-intentioned than they are now as the governing party.

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[English]

YOUNG OFFENDERS ACT

Mr. Randy White (Fraser Valley West): Mr. Speaker, I have just spoken to Chuck Cadman whose son Jesse was senselessly murdered by a young offender for his baseball cap in a Fraser Valley community a couple of years ago.

Chuck, who founded a group called CRY—Crime, Responsibility and Youth—is disappointed with the Liberal attempt at reforming the Young Offenders Act. His group's numerous recommendations have turned into a cry in the dark. Yet the justice minister claims he is listening to Canadians.

This government will soon see thousands of letters coming to the justice minister from all across this country, all crying out for stronger action on young offenders.

We have just found out that a violent repeat young offender has escaped from a youth detention centre by melting through a Plexiglas barrier with a soldering gun. The young offender who sliced his way to freedom was very innovative. We need equally innovative laws to keep up to these people, and today's half way measures do not cut it.

How many more innocent people have to die before the justice minister proves to Canadians he can actually hear their cries in the dark?

* * *

CHILD SUPPORT

Mrs. Jean Payne (St. John's West): Mr. Speaker, on Monday the Secretary of State for the Status of Women announced the details of the government's plans to consult with Canadians about the taxation of child support payments.

In the past few weeks I have received many letters from my constituents wanting to see the present system changed. I would like to take this opportunity to urge the people in my riding to share their views with the government.

This government has prepared discussion points for people to read and they can offer their views right on the document and fax their presentation to Ottawa toll free.

Many parents face a daily battle to make ends meet because of inadequate or late child support payments. This government is concerned and wants to help. I encourage residents of St. John's West to call my office and obtain a copy of the discussion paper and share their concerns directly with this government.

WOMEN'S HEALTH

Mrs. Jane Stewart (Brant): Mr. Speaker, when I read about young women like Bonnie Fung who at 15 years of age is dealing with the challenges of adolescence and those that face her as a victim of lupus, and when I think about my 37-year old friend who is at once raising a family of seven children and taking chemotherapy to fight breast cancer, and when I talk to my aunt and my grandmother who both in their later years are suffering the pain and the disfigurement of osteoporosis, I know that we have to do more to fight these diseases and others that predominantly affect women.

We know that there has been a systemic bias against women in our health care and our health research. That is why I am so glad and look forward to the creation of a centre of excellence that will focus on women's health and why I hope that when our national health forum meets this summer the issue of women's health will be on its agenda.

As a government and as a country we cannot accept the status quo when it comes to Canadian women's health.

* * *

(1405)

THE ENVIRONMENT

Mr. Andy Scott (Fredericton—York—Sunbury): Mr. Speaker, the protection and conservation of our environment require collaboration between all levels of government. We need to streamline environmental regulatory processes and harmonize federal and provincial policies and programs.

To this end yesterday in New Brunswick the federal environment minister and her colleagues from the Atlantic provinces entered into a federal-provincial framework agreement for the environmental co-operation in Atlantic Canada.

This agreement is the first of its kind in the environmental field in terms of both its breadth and scope. It set out principles to cover compliance with regulations, environmental assessment, environmental monitoring and data management, water programs and public awareness.

The agreement will lead to the elimination of overlap and duplication of program delivery and provide a single window for pursuing regulatory matters. It illustrates this government's commitment to environmental protection and conservation and to co-operation and harmonization with the provinces.

[Translation]

REGIONAL DEVELOPMENT

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I want to take this opportunity to condemn the federal government's ineptitude in the matter of regional development.

All regions in Quebec have been facing major problems for a number of years. Despite the fact that we have a federalist government in Quebec as well, quarrelling on regional development has merely increased political tension, while the economy of the regions suffers. This is reflected in the youth unemployment rate in my region, which was 24 per cent last year and led to migration to the larger urban centres.

I wish the Liberal government would stop telling us that all is well and that federalism is the answer to all our problems. Federalism has had plenty of time to prove itself, and it has proved to be a failure.

* * *

[English]

LACROSSE

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, recently we agreed in this House that lacrosse would be recognized as Canada's summer national sport.

This bill has now received royal assent. We have learned that the Minister of Canadian Heritage is in possession of a report which would eliminate all funding for lacrosse.

The minister's office assured me that this was not the official position of the government. Then his parliamentary secretary told us recently in this House that a decision on this will not be forthcoming until late summer.

This puts the men's national lacrosse team in a desperate situation. It hopes to compete in the world championships in England this July but will not be able to unless recognition of its status is forthcoming.

I call on the minister to make a decision immediately on our national summer sport which will then allow our national team to compete for Canada in the upcoming world championships.

* * *

YOUTH EMPLOYMENT

Mrs. Brenda Chamberlain (Guelph—Wellington): Mr. Speaker, the federal government continues to recognize the importance of our young people and is offering a number of programs which will assist them as they prepare to meet the challenges of the future.

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Young people in Guelph—Wellington are concerned about employment prospects and look to this government for programs and ideas which will provide hope and opportunity.

I encourage our young women and men to believe in their future. I also encourage them to make use of their talents through volunteer experiences. Volunteering is an excellent avenue to gain experience and to establish a network in the real world of employment.

At the same time there are a number of Canadians young and old who can benefit from the dedication and spirit of our volunteer activities. Young people should be encouraged to make a difference, get involved and create a better future for themselves while helping others.

* * *

[Translation]

ASTRALTECH

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, the opposition may not like this, but I would like to draw the attention of this House to the recent association of the governments of Canada and Quebec with Astraltech, to help this company carry out a major revamping of its facilities.

A total investment of \$9.5 million will create 30 new jobs and keep 35 existing jobs in the Montreal region.

This project will help Astraltech, a world leader in the communications sector, to relocate its facilities and acquire high-tech equipment, while enhancing Montreal's reputation as the hub of the industry's production for foreign markets.

This project demonstrates the level of excellence that can be achieved when the private sector, the province and the Government of Canada get together to meet the challenge of keeping up with changing technologies. Another winner for Quebec.

* * *

(1410)

[English]

ROYAL CANADIAN LEGION

Mr. Tony Ianno (Trinity—Spadina): Mr. Speaker, the Royal Canadian Legion's decision to prohibit the wearing of religious headwear in Legion halls shows a lack of respect and understanding of Canada's new reality.

While I understand that the wearing of hats in Legion halls is seen as a lack of respect for those who died in battle, I in no way see religious head coverings as hats and therefore as disrespectful.

I believe this to be an issue about the definition of Canada. Our institutions have a responsibility, as is reflected here in this

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House, to guarantee that all Canadians are treated equally and that no one is in any way discriminated against.

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[Translation]

RESTORATION OF DEMOCRACY IN HAITI

Mrs. Maud Debien (Laval East): Mr. Speaker, despite a total United Nations embargo against the putschist government of Haiti, the military junta continues to defy international pressures. It refuses to hand over power and allow for the return of President Aristide and democracy.

In fact, the situation is worsening. Killers continue to terrorize the population, the Tonton Macoutes have re-established their reign of terror, international aid money is being withheld and a new puppet president has been appointed. In short, nothing has changed. How long does Canada intend to wait for the total embargo to produce the intended results? How many more dead, how much more suffering will we accept?

Canada must stand ready to take part in a more forceful attempt if the situation does not change soon.

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[English]

YOUNG OFFENDERS ACT

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, amidst all the talk of criminal justice reform in the Young Offenders Act we often forget the victims who suffer at the hands of violence.

I would like to give a victim's impact statement today from a young woman in my riding, Christine Angus, who was recently beaten in broad daylight by two young offenders who demanded her purse:

"I knew that crime amongst young offenders was getting out of hand, but it was sort of on the sidelines and until this happened to me I never realized that crime is so close to all of us. I was on my way to work at 12.30 p.m., the noon hour, and two guys came up behind me, grabbed me around my throat and said they would hurt me if I did not give them my purse, then they spun me around". Christine was then beaten about the face and head.

Her final comment was: "Who will care for my emotional state? I cannot sleep at night. I am afraid. Who is going to help me with this?"

Victims like Christine feel betrayed by a justice system that lets them down time after time. Victims have special needs. Let us recognize them and hold young offenders accountable.

[Translation]

THE LATE REINE JOHNSON

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I would like to add my voice to that of my colleagues who, yesterday, paid tribute to the mother of Daniel and Pierre-Marc Johnson, who passed away. Like two members from the Bloc, I had the chance to work with Daniel and Pierre-Marc Johnson in the Quebec National Assembly during two terms.

I was also part of Daniel Johnson's team during his first bid for leadership. What is remarkable about the Johnson brothers is that, confronted daily by issues they approached from opposite ends of the political spectrum, they managed to keep strong and constant fraternal ties. They are friends as well as brothers. This comes from the strong family values passed on to them by their parents. I offer my deepest sympathy to Daniel, Pierre-Marc and their families.

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[English]

NUCLEAR WEAPONS

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, in May 1993 the World Health Organization asked the World Court to declare nuclear weapons illegal under international law.

As a result the World Court asked all member states, including Canada, to submit their positions by June 10, 1994.

I want to urge the government to make such a submission. At this time there are six known nuclear weapon states and there are 15 other states that either have or are developing nuclear weapons capacity. If this proliferation continues and nuclear weapons are held by irresponsible leaders in the world, the entire planet is in grave danger.

In 1995 the 25-year old non-proliferation treaty will come to an end unless there is political will in the world to have it continue and make it work. We have banned chemical weapons. We should do the same with nuclear weapons.

I urge Canada to support this World Court project before the June 10 deadline.

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(1415)

BASKETBALL GAME

Mr. Stan Keyes (Hamilton West): Mr. Speaker, it is with great pleasure that I rise in the House today in my capacity as captain of the MPs basketball team to issue this statement prepared by the diligent pages of the House of Commons. They write:

*Oral Questions***ORAL QUESTION PERIOD**

“A basketball game between members of Parliament and House of Commons pages took place last night. This was a hard fought and enthusiastically played match featuring high-flying MPs from the government, the Bloc and the Reform Party as well as pages from all regions of Canada.

The MPs relied on their team work, experience, and polished moves while the pages used their talent, depth and youthfulness to their advantage.

The outcome of this hotly-contested match was in doubt from the beginning, but in the end the MPs were able to edge out the pages by a slender margin.

The victory was sweet but as members of this House should note this is no time to rest on your laurels as you will all be a year older next season and will have to contend with a new group of younger pages.

This game proved to be an excellent opportunity for members and pages to work off some energy and to get to know each other outside the House of Commons.

For those members who were unable to attend there is always next year as this has now become an annual event.

Again thank you to all those who participated. It was a game enjoyed by all.

Sincerely,

the Pages”

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TAX FAIRNESS

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, during the election the Liberal Party promised to find ways to achieve tax fairness. That was then. This is now.

I have here a flyer from Revenue Canada. There is a fire sale on tax loopholes. Get them while you still can. To quote from the flyer: “Don’t miss out. Take advantage of the \$100,000 capital gains exemption”.

This government’s version of tax fairness is breaks for the rich, do not touch the private family trusts. Their version of abolish is hide and seek when it comes to the GST.

I call on the minister to explain to Canadians why he continues to protect the wealthy when even the food in the mouths of ordinary Canadians is not beyond his grasp.

[*Translation*]

HEPATITIS C

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is directed to the Minister of Health. Because the federal government refuses to take its responsibilities seriously, the Red Cross is about to launch a large-scale operation to trace thousands of carriers of the hepatitis C virus who were infected as a result of blood transfusions. The Red Cross spokesperson claimed, and rightly so, that a person who received a blood transfusion had the right to know whether he had been exposed to the hepatitis C virus.

How can the Minister of Health, who has refused to take her responsibilities seriously on this issue, maintain her claim that it is impossible to trace people who were infected with the hepatitis C virus as a result of a blood transfusion, when the Red Cross is prepared to do so?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, as I said yesterday and the day before, and I will repeat it again today, we have several partners who are involved in the blood supply system. I commend the Red Cross, which is examining a proposal. However, the fact remains that it will be very difficult and well nigh impossible to go back any further than 1990, when we started testing for hepatitis C. We are waiting to find out how effective their proposal will be.

Mrs. Pauline Picard (Drummond): Mr. Speaker, does the minister endorse what was said by the spokesperson for her government, who pointed out that this kind of initiative would not be very useful because there is no effective treatment for this disease?

Does the minister still deny there is a risk of spreading the hepatitis C virus if people are not informed?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, there is no vaccine against hepatitis C. At least, not yet. Scientists are working on it, but there is no vaccine right now.

(1420)

There are ways to treat the disease itself, but we want to wait for recommendations from the Red Cross. What they are looking at is still very vague. We should not get too excited about all these proposals. I think we should take this a day at a time.

As I said before, hepatitis C has been with us since the forties, when we started our blood transfusion system. However, testing for hepatitis C has only been possible since the nineties. Since that time, out of the total number of blood donors, only 0.3 per cent were found to be infected with hepatitis C. The blood taken from these donors was never used.

Oral Questions

Mrs. Pauline Picard (Drummond): Mr. Speaker, if the Red Cross is preparing to trace people, there is a serious problem.

Are we to understand that the minister is not taking any action because she is opposed to the idea of compensating individuals who were infected with the hepatitis C virus as a result of blood transfusion?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I always take my responsibilities very seriously, but the point is that we do not have all the answers. When we say that no testing was possible before 1990, that is the honest truth. No testing was possible. We are now working with the Red Cross, the hospitals, the provinces and all parties responsible for protecting the health of Canadians, to provide the best possible service.

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INDIAN AFFAIRS

Mr. Michel Gauthier (Roberval): Mr. Speaker, yesterday the Kanesatake band council suspended work on the expansion of the Indian cemetery in a gesture of good will. The band council chief mentioned however that certain unspecified conditions would have to be met before negotiations could resume.

My question is, of course, for the minister of Indian affairs. Can he confirm that among the conditions set by Jerry Peltier, there is, according to CBC, the payment to the band council of certain sums of money? And if so, how much is involved?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, there were times during the so-called mini Oka crisis when it was important that the situation be calm, the negotiators be at the table, and the mediators be appointed. I think that time has past. The mediator, the negotiator and the principals are meeting.

Over the next few days, until I hear what solutions are coming forward, I do not think it is appropriate to do the negotiating through the press or through the House.

[Translation]

Mr. Michel Gauthier (Roberval): Mr. Speaker, could the minister tell us if the administrative inquiry conducted by his department into the use of federal grants by the band council was discussed during the discussions prior to the resumption of the negotiations? Did the pre-negotiations deal with this issue?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, the question will have to be put with more clarity before I can answer it. After the House convenes if the member wants to make that a clear question and

on a specific point I would be prepared to talk to him and answer specifically what he is talking about.

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DYNAMIC MAINTENANCE LTD.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, my question is for the Deputy Prime Minister.

Is the Deputy Prime Minister aware that the parliamentary secretary for fisheries has a 50 per cent interest in Dynamic Maintenance Ltd., a company that on May 1 of this year received a three-year contract for maintenance at Pearson International Airport worth \$13.5 million?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I understand that a company that the parliamentary secretary formerly had an involvement with had a contract with Pearson. This has been made public. It was carried in one of the newspapers.

(1425)

An hon. member: About three weeks ago.

Mr. Tobin: About three weeks ago for the members who were asleep at the switch. Apparently it is quite normal, done within the normal tendering procedure. If the member is alleging a specific wrongdoing he should make the allegation. Otherwise he should find something more useful to talk about.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, somebody has been asleep at the switch here.

Is the Deputy Prime Minister aware that even though the member indicated he had resigned as a director and officer of Dynamic Maintenance Ltd. and he supposedly did this on December 1, 1993, as of May 24, 1994 the parliamentary secretary of fisheries is still listed with the B.C. Ministry of Finance and Corporate Relations as an officer of this company.

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, perhaps when I tell the member that my understanding is that the parliamentary secretary is totally in compliance with all of the requirements of the conflict code, and this has been checked with the most senior authorities of the government, the member might want to seek unanimous consent to stand and apologize for making reckless accusations.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, in a letter dated April 12, 1994, Mr. Howard R. Wilson the Assistant Deputy Registrar General and candidate for the position of Liberal ethics counsellor in response to a request for guidance on this possible conflict stated that he was satisfied the company was "administered blindly and at arm's length to the member". Yet one of the directors listed is the father of the member with whom he shares and co-owns a residence.

Does this qualify in the opinion of the government as an arm's length relationship?

Oral Questions

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, this particular party across the way came to Parliament promising to do business so-called differently and to bring a new standard.

The member opposite is fully aware that the senior official who has the responsibility for ensuring compliance with the conflict code has indicated that all of the requirements of the conflict code have been met and all of the arrangements required have been met. Nevertheless, this member stands on no other basis than seeking to damage the reputation of an hon. member and makes crazy and wild allegations. He ought to be ashamed and he ought to apologize.

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[Translation]

OVERFISHING

Mr. Yvan Bernier (Gaspé): Mr. Speaker, upon the recent return of the Minister of Foreign Affairs from a trip to Paris, the government claimed that relations between France and Canada had never been better. And yet, Mr. Alain Juppé, the Minister of Foreign Affairs, said in the French National Assembly that Bill C-29, which Canada had just passed to control overfishing, was unacceptable and that he intended to challenge it with the help of other European countries.

Can the Deputy Prime Minister explain how it is that the recent visit to France of her foreign affairs minister has resulted in a vigorous and open challenge of the measures proposed by Canada to control overfishing?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I find it astounding that there is in this House a Canadian MP—he is still Canadian as far as I know—who opposes a policy which was unanimously adopted by this House to try to prevent overfishing. If he wants to sit in the French National Assembly, I invite him to do so. But here, in Canada, we have a unanimous policy regarding the theft of our resources.

Mr. Yvan Bernier (Gaspé): Mr. Speaker, my supplementary is for the Minister of Fisheries and Oceans. I think that as fishing enthusiasts, we will understand the issue better. He might also enlighten the Deputy Prime Minister; he knows the Bloc Québécois strongly supported the bill at second and third readings.

(1430)

Mr. Speaker, my question to the Minister of Fisheries and Oceans is this: How does he intend to convince the French government of the validity—the Deputy Prime Minister is taking note, I hope—of the provisions of Bill C-29, when

France believes that this piece of legislation is not in accordance with international law and the law of the sea? Can the minister explain now how Canada is going to make France see reason?

[English]

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for his question.

All members of this party and I have acknowledged in the past that it was a unanimous motion in the House supported by all parties that allowed for quick passage of our foreign overfishing bill, and I acknowledge that again today.

I would ask the member to acknowledge that sometimes when Canadian parliamentarians visit France they do not always get the kind of support they are expecting for their initiatives. That level of disappointment is shared on some days in equal measure by members on the government side and sometimes even by the Leader of the Opposition.

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POLLING

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Minister of Public Works and Government Services.

Yesterday the government released a number of public opinion polls commissioned by the previous government. The minister also promised greater public access to the results of polling by this government in the future.

Would the minister advise whether the federal government is currently conducting any polling specifically related to the national unity issue and which agency or department of the government is conducting such polling?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, the brief answer is that I am not aware of any polling that is being done at the present time.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the minister is not aware. I have a supplementary question.

Presumably the government will be doing such polling over the summer and fall months. Could the minister assure us that the results of such polling would be made public on a timely basis?

Hon. David Dingwall (Minister of Public Works and Government Services and Minister for the Atlantic Canada Opportunities Agency): Mr. Speaker, I do not know if the rules permit me to answer a hypothetical question. It is a presumption of the leader of the Reform Party which we do not concur with.

Oral Questions

[Translation]

ARMS SMUGGLING

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, my question is directed to the Solicitor General of Canada.

According to an article in this morning's edition of *Le Soleil*, the Solicitor General's office is in possession of an RCMP report that says weapons are being smuggled into the country on CP freight trains returning from the United States. According to the report, the point of entry for the smuggled weapons is Montreal, with the Kahnawake reserve being their ultimate destination.

Given that the source of this briefing note is his own department, can the Solicitor General tell us why RCMP authorities have not stepped in yet to stop the smuggling?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I can assure my hon. colleague that further to my inquiries, my department insists that it has no knowledge whatsoever of the existence of such a briefing note. Let me assure the hon. member that the RCMP, along with Customs, will take the necessary measures to resolve this situation.

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, my supplementary is also for the Solicitor General. Are we to understand from his answer that the RCMP, as hinted by *Le Soleil*, has not put a stop to the smuggling operations which involve the use of warehouses on the Kahnawake reserve because it has not been authorized to do so by the federal government?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, as I have said many times, the RCMP has every right to do its job anywhere in the country. There are no "no go" zones. It does not need the government's permission to do its job on native reserves or anywhere else in Canada.

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[English]

YOUNG OFFENDERS ACT

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, my question is for the Minister of Justice.

The minister announced amendments to the young offenders system this morning. His statements do not deal with a reduction in the age parameters of the Young Offenders Act.

(1435)

How do the announcements of the minister reflect the thrust of thousands of submissions which he says he has received from the recent round of public consultations?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the amendments we introduced this morning in our view reflect those submissions and that consultation very directly.

Among other things, the bill we put before the House of Commons at ten o'clock this morning sends a strong message from the government that crimes of violence will not be tolerated from any age group in society.

Some hon. members: Hear, hear.

Mr. Rock: Reflecting the consultations and in keeping with commitments the government has given, we have doubled the maximum sentence for first degree murder and increased to seven years the sentence for second degree murder.

We have broadened extensively the sharing of information about young offenders for purposes of community safety. For 16 and 17 year olds, the top age group among young offenders, charged with the most serious crimes of violence we have in fact reversed the onus on the transfer test to adult court so that they must demonstrate they have the right to remain in youth court for rehabilitation purposes.

These and other measures directly reflect many of the themes that were sounded during our extensive consultations with Canadians.

The Speaker: Before the Chair goes to the supplementary question, as all colleagues are aware this bill is before the House. I would judge to be in order questions of a general nature such as the last one posed. I would caution that questions not be specific because they are going to be dealt with in the bill.

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, I commend the minister for his willingness to table legislation to make changes.

Will the minister assure the House that the government will stop defending all basic tenets of the current juvenile system and remain open to major amendments such as age of operation if there is community support for change?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the government continues to believe the youth justice system is fundamentally sound, and we support it.

The question of age, as the hon. member knows, and other questions about the youth justice system were expressly put to the Standing Committee on Justice and Legal Affairs. The hon. member will know, because I have made the letter public and provided copies to members of the House, that I have expressly asked the standing committee to undertake a comprehensive review of the statute and the youth justice system generally after it has reported on the bill I tabled this morning.

One of the subjects I asked the committee to look at was the question of age.

*Oral Questions**[Translation]***EMPLOYMENT EQUITY**

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, my question is for the Minister of Finance. A study made public yesterday by Statistics Canada shows that women in particular are hard hit by the recession. The drop in labour force attachment of women which has been observed since the beginning of the recession is reversing historical trends. Women between 15 and 24 years of age are the main victims of this recent decline in the female labour force.

Does the Minister of Finance recognize that women, and young women in particular, are being hit harder than anyone else by the current economic difficulties and does he intend to put in place a real job creation strategy that will benefit women as well?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I share the hon. member's concern over this particular issue. Employment equity is one of this government's primary objectives and we have taken specific steps over the past six months to address this problem.

For example, under the Canadian Youth Service Corps program, participants will be allowed to use \$2,000 for day care. We are currently actively negotiating with the provinces to open more day-care spaces. I also hope to table concrete proposals in this House in the fall to address employment equity problems encountered by women.

I hope we can count on the support of the hon. member and her party regarding these specific measures designed to help us reach this highly important objective.

(1440)

Mrs. Christiane Gagnon (Quebec): Mr. Speaker, my supplementary question is also for the Minister of Finance. Will the minister recognize that the infrastructure program, the only concrete job creation measure put forward by his government, provides very few opportunities for women in view of the nature of the work involved?

[English]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, we have tried to promote with the provinces and municipalities a mix of projects so that in various sectors of society where unemployment prevails there will be opportunities including opportunities for women.

That point was brought home to me by the secretary of state in charge of women's issues. I assured her, as I assure the House, that we would encourage those applications.

Daycare facilities very much qualify as part of the infrastructure program. There are numerous projects aside from construction where permanent long term jobs are created, and many of them are for women.

We will continue to encourage the provinces and the municipalities to provide that kind of mixture so women in other sectors of society can be employed, because the government's number one priority is job creation.

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YOUNG OFFENDERS ACT

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, my question is for the Minister of Justice.

Today the minister tabled amendments to the Young Offenders Act by which the sentence for murder has doubled. Sixteen and seventeen year olds accused of serious crime will automatically be transferred to adult court unless they can prove they should stay in youth court, and the identities of young offenders will be more available.

In the past the minister has said that we must concentrate on rehabilitation of youth and give them a second chance. Will the minister tell the House—

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IMMIGRATION

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

In early March the minister arranged for a meeting at Chateau Montebello to discuss immigration policy consultation. However a reading of the summary of the meeting indicates that something other than public consultation was discussed.

Will the minister admit that the purpose of this million dollar so-called consultation process is to change public opinion rather than respond to it?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, that is absolutely false.

The Reform Party has advocated as one of its prime motivating reasons for being here opening up the process of government to those who wish to discuss and debate the issues of the day. The government has opened up the consultation process on immigration policy to an unprecedented level since the green paper in 1976.

For a two-day period we took approximately 40 to 45 Canadians from a variety of disciplines in western, northern, central and eastern Canada to talk about two things: how we consult fellow Canadians on immigration and what are the issues we need to consult on. No more, no less.

Mr. Art Hanger (Calgary Northeast): Mr. Speaker, the document speaks for itself and I quote from it:

Oral Questions

The public education aspect of the consultative process will require some careful thought—neither governments nor NGOs enjoy sufficient credibility to effectively convey the “facts” on immigration to Canadians—the media could be “constructively engaged in the process”.

Mr. Speaker, does this sound like consultation to you? How does the minister defend what appears to be a cynical and manipulative approach to dealing with the public on this very important issue?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, unlike the leader of the Reform Party and that entire caucus we do not need a Conservative member of our office to do any coaching on how we approach the business of government or Parliament.

We are consulting Canadians. We have in train 10 working groups that will be both round table and public. There will be five townhall meetings across the country. There will be eight study groups across the country. I have invited every member of the committee to be part of one of the working groups.

The government has nothing to hide. We want to rally a broad consensus for what immigration can do for the country as a nation building tool.

* * *

(1445)

[Translation]

YOUNG OFFENDERS ACT

Mr. Antoine Dubé (Lévis): Mr. Speaker, my question is for the Minister of Justice. Under pressure from some members of the public and the conservative wing of the Liberal party, the Minister of Justice followed up on the Liberal Party's red book and tabled a bill toughening the provisions of the Young Offenders Act.

Can the Minister of Justice assure us that his bill respects Quebec's laws and policies on youth protection, as Quebec's National Assembly demanded last month?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Yes, Mr. Speaker, we are fully aware of differences of opinion on this law and we are also aware of regional disparities. We know that Quebec's approach to enforcing the law has clearly proven itself. We think, however, that the changes in this bill give each of the provinces enough flexibility to adjust and administer the law while taking their particular circumstances into account.

Mr. Antoine Dubé (Lévis): Mr. Speaker, does the minister admit that his bill sends the message that young offenders must go to prison to be rehabilitated and reintegrated into society?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, that is not true at all. In fact, our proposed amendments to this act focus on the rehabilitation of young offenders.

[English]

Among other things, we have proposed changes to the statements of principle that will expressly state that the interests of society are best served by the rehabilitation of offenders.

Instead of just proposing the automatic transfer of 16 and 17-year olds, which some would have us do, we suggested in this bill that they be brought before the court one at a time for a judge to make that decision. Most particularly, in the case of non-violent offences we have introduced specific measures that would require the court to resort only as a last step to custody and to focus instead on community based rehabilitative dispositions.

Therefore I disagree fundamentally with the premise of the hon. member's question. I say that this bill reflects a balance between a strong message against violence and rehabilitation of the offenders.

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LIGHTHOUSES

Mr. John Cummins (Delta): Mr. Speaker, my question is for the Minister of Transport.

In a five-year period ending in 1991, British Columbia light stations came to the aid of the public over 32,000 times. These incidents range from rescues to offering pilots emergency weather reports.

Does the minister agree with the commissioner of the Coast Guard who says that lighthouses in British Columbia are no longer essential?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, for anyone to suggest that on the coast of British Columbia or on the coast of eastern Canada lighthouses are not essential would be totally irresponsible.

We have said that what we intend to do is to look at the staffing of lighthouses. The technology of 1994 has allowed the United Kingdom, Australia, the United States, countries around the world, including Canada on the east coast, to make major changes in how to protect and make sure that people who use the sea are safe.

The Department of Transport understands its obligation to people who earn their living on the sea or who spend leisure time on the sea. We have no intention of doing anything on the west coast of Canada or anywhere else that would put the safety of Canadians at risk.

Mr. John Cummins (Delta): Mr. Speaker, what price does the minister put on public safety?

Oral Questions

Lightkeepers make a major contribution in offering comfort and advice to maritime travellers. Why not shut down 36 desks in Ottawa rather than 36 B.C. light stations?

(1450)

Hon. Douglas Young (Minister of Transport): Mr. Speaker, the hon. member undoubtedly raises a question which is of great importance to many people who do not understand what has happened in many other parts of the world.

With all due respect, all of us recognize the magnificence of the British Columbia coast, its harbours and bays and the tremendous amount of marine activity which takes place out there. I would simply suggest to the hon. member that he look at what happened on the west coast of the United States. It is very similar. The situation in the U.K., the United States, Australia and around the world is that technology is replacing human beings in lighthouses. It is going to happen on the west coast, but it will only happen when we take into account the safety and security of people who use marine facilities in that area.

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GOODS AND SERVICES TAX

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, in keeping with the tradition of this 35th Parliament of providing open and constructive debates on major issues affecting Canadians such as the ones we had previously on peacekeeping and defence, I wish to ask the hon. government House leader the following question.

Will he consider the idea of a special debate in the House on the ways and means of replacing the GST so that MPs from all sides of the House will have a chance to voice their concern on this very important issue?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, in the next few weeks the Standing Committee on Finance will be making a report to the House on the matter of the replacement of the GST. After this report is tabled I think there will be opportunities to debate the matter in the House. I would be happy to consult with members on both sides of the House as to how we can use this report as a basis for debate.

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*[Translation]***CONSTRUCTION OF A FRENCH-LANGUAGE SCHOOL**

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

Yesterday, the minister confirmed the commitment made by the Prime Minister that a French-language school will be built in Kingston as quickly as possible, given the appalling conditions of the existing facilities, which have no toilets nor running water, and which have been used as a school for over six years.

Considering that the Kingston French-language school board has decided to build a school on the Olan Mills site, considering that the Ontario Department of Education has approved the \$7-million contribution for the construction of the school on that site, and considering that the minister himself and the Ontario minister of culture have authorized a budget of over one million dollars for the construction of a cultural centre adjacent to the school, will the minister pledge to ensure that the French-language school will be built on the site selected and bought by the school board?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, I am pleased to repeat what the Prime Minister and myself have already said. It is our wish and our will to see that school move to new facilities in Kingston.

We have indeed allocated funds in this regard, which reflects our will to see the issue solved. The primary responsibility lies with the provincial department, municipal officials and concerned school board.

We have already contacted provincial authorities to express our concern. Right now, school board members are negotiating with Kingston officials to speed up the process. I think we must trust those who are primarily concerned, namely the school board officials, and give them a chance to solve the issue with our general support.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, I have a supplementary. Since the approval of Kingston city council is the only thing delaying the construction of the school, does the minister not realize that, at this stage, the search for another site, or any delay in the council decision, would unduly postpone the timely construction of an adequate French-language school in Kingston?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, clearly we want to see this issue come to a conclusion as quickly as possible. I think that the best way to do so is to give a chance to those who are currently negotiating to reach an agreement, rather than disturb the process with all the political considerations which the party opposite is trying to bring up.

Oral Questions

(1455)

[English]

HEALTH

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, my question is for the Minister of Health.

The minister stated in a Toronto *Star* article on May 28, 1994 that she has the terms of reference for the National Health Care Forum. This forum would have a four-year mandate and a budget of \$12 million.

Will the minister acknowledge today that our health care system is in critical condition and requires emergency care? Is she going to take four years to make decisions to save Canada's health care system?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I have said it before and I will say it again. The national forum is meant to be a process. It is a series of meetings to put forward ideas for the renewal of our health system, not just our health care system, for the 21st century. It is not meant to take the place of the Conference of Federal-Provincial Ministers of Health who are meant to take the day to day decisions having to do with our health care system.

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, nothing grates the sense of an opposition member more than to continue to have our serious questions not answered with truthful straight answers.

Some hon. members: Shame.

Some hon. members: Withdraw.

The Speaker: I know the hon. member, as many members sometimes in putting questions, will have a certain sense that the question is not being answered, but I would hope that the hon. member would withdraw the allegation that the answers are not truthful. Would the hon. member withdraw.

Mr. Martin (Esquimalt—Juan de Fuca): I will say this much, Mr. Speaker. I would just like to have—

Some hon. members: Oh, oh.

The Speaker: Order. I put it to the hon. member, with all respect, would the hon. member withdraw.

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I will withdraw the statement about truthful.

I would though like to have a straight answer on this if I may. What are the terms of reference of the health care forum?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, often many statements are made in the House and many statements were made in the last election, especially by that particular party across the way, but in all honesty, we upheld the principles of the Canada Health Act and we have not moved from our commitment to those.

In recent articles I have read, the hon. member believes the rich should pay for their health care. In Canada and many other countries there are many things which are available to people who can pay for them, more suits among other things. With regard to health care, we believe there should not be any kind of cash register approach to it. It should be equal for everyone.

The terms of reference for the forum will be released when we are ready to release them.

* * *

[Translation]

GOODS AND SERVICES TAX

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the minister of revenue. After the election, the minister said that he would abolish the GST within a year, but now we have learned that he will be bringing in changes, not to abolish but rather to hide the GST.

(1500)

In the meantime, his department has released a flyer that we have read today. It says: "Don't miss out. Take advantage of the \$100,000 capital gains exemption".

The minister has refused to close some of the tax loopholes. Why has he not agreed to eliminate tax loopholes such as the capital gains exemption and the family trusts, instead of going after the poor and the underprivileged? Maybe because he wants to increase the GST instead of abolishing it.

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I want to congratulate the hon. member for her question. Since she is not here very often, she made the most of it and included a lot of things in her question.

Some hon. members: Oh, oh!

[English]

The Speaker: I am sure the hon. minister will want to answer the question directly.

[Translation]

Mr. Anderson: Of course, Mr. Speaker.

First of all, the hon. member mentioned the GST. It is true that, one hour after becoming minister of National Revenue, I thought it was possible to abolish the GST within a year of my appointment. I still have a few months left. I am waiting. Maybe I have become more realistic and less optimistic. We will need another year, maybe two at the most. Like everyone else in this House, I am waiting for the report of the House committee reviewing the GST.

Mr. Speaker, I am waiting to receive the report of this all-party committee. Once I get it, I will review it, like every other cabinet member.

[English]

ULTRAMAR CANADA

Mr. Ron MacDonald (Dartmouth): Mr. Speaker, my question is for the Minister of Industry.

Ultramar Canada has announced plans to sell if possible and, if not, to completely close down its refinery in Dartmouth; this in spite of the fact that when Ultramar acquired this plant in 1990 it signed an agreement with the federal competitions bureau to keep this operation open until at least 1997.

I want to ask the minister what measures he and his department are taking to ensure that Ultramar indeed lives up to the letter of these commitments and does not easily extract itself from this agreement with the federal government.

Hon. John Manley (Minister of Industry): Mr. Speaker, as the hon. member knows, Ultramar acquired the assets of Texaco in 1990 pursuant to a consent order of the competition tribunal and subject to the agreement of the director of investigations and research under the Competition Act on the basis of undertakings given by Ultramar to keep the refinery in Dartmouth open for seven years, unless there was a material adverse change in circumstances.

Ultramar is now saying that there is such a material adverse change in circumstances and endeavouring to either sell or, failing to sell, to close the refinery.

The director of investigations and research is investigating to assure himself of the facts that are the basis of the claim of an adverse change in circumstances. Once he is satisfied as to whether such a change has occurred he will then be in a position to take the appropriate action either to enforce the undertakings or to permit Ultramar to proceed with its actions.

I can assure the hon. member that we are very concerned, with him, about the jobs that are at risk in Dartmouth as a result of this decision and we want to make sure that the right thing is done.

* * *

[Translation]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, I would like the leader of the government in the House to inform us of the order of business for the next few days.

[English]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Madam Speaker, I am pleased to provide the weekly business statement.

Supply

Tomorrow we will begin with Bill C-18 concerning the Electoral Boundaries Readjustment Act. I will have a motion on the Order Paper by six o'clock this evening with respect to certain amendments. If the House deals with the matter quickly enough we will return to Bill C-34 regarding Yukon native self-government, followed by Bill C-33 respecting Yukon land claims.

(1505)

Next Monday, as already announced and as already agreed to by the House, the House will commence its sitting at two o'clock in the afternoon rather than eleven o'clock in the morning in order to permit members to attend the service at the National War Memorial commemorating the 50th anniversary of D-Day.

The government business for Monday when we come back will be the amendments to the Young Offenders Act. We will begin debate on second reading of the bill to carry out those amendments.

Tuesday and Wednesday shall be allotted days. Wednesday being the last allotted day for the present supply period, the House will sit late pursuant to the rules, with any questions necessary to dispose of the main estimates and the supplementary estimates being voted on starting at ten o'clock in the evening.

Subject to further discussions and to the progress in debate made earlier I would hope to call the bill reorganizing the Department of Citizenship and Immigration on Thursday. I will confirm the business for the latter part of next week at the regular weekly House leaders meeting early next week.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—REGIONAL DEVELOPMENT

The House resumed consideration of the motion.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Madam Speaker, I did not realize that I had five minutes left on my remarks. I will take that time to review some of the points that I made in my speech before question period began.

As I said, the opposition motion today tried to discredit the Government of Canada as not having effective regional development plans or programs or instruments. Those people in every region of Canada know that we have always had decentralized instruments to help deal with very sensitive and diverse regional business opportunities.

Supply

The Atlantic Canada Opportunities Agency has been dealing with the problem of regional development expansion for the last number of years. In the province of Ontario we have the FedNor, which has been designed to look after northern Ontario opportunities, western Canada diversification and FORD-Q in the province of Quebec.

For the Bloc Quebecois to put forward an opposition motion today that would suggest that we are not governing in a decentralized way is not accurate.

The real point of the Bloc's motion today has to do with the fact that it does not believe the Government of Canada should have people speaking for Canada in the province of Quebec. It does not believe in having a Government of Canada presence active on the ground in Quebec.

Of course none of us on the government side of the House shares that position. Imagine a situation in which it is saying, have the Government of Canada send a cheque because they in the province of Quebec know how to spend that cheque best.

(1510)

We have had experiences in the province of Quebec in the past in which it has not been interested in the national position or the national view. Normally the province of Quebec or for that matter the province of Ontario are just basically speaking for provincial matters. When we are in the national government position we have to balance our view.

As a national parliamentarian coming from Toronto I do not just stand here and speak for Toronto. We do not just stand here and say that the only part of the country we are concerned about is Ontario. The proof in the pudding on that has to do with the entitlements that were granted before the budget in January when under the Constitution of Canada the new formula for entitlements was announced by the Minister of Finance in which the have provinces of British Columbia, Alberta and Ontario will transfer to the province of Quebec \$70 billion over the next five years.

If a person were just interested in the province of Ontario do you think that the provincial members would say they have to send cheques off to the province of Quebec? That would not happen.

The purpose of this Chamber is to make sure that the regional disadvantages and the regional diversity are looked after by a strong national government, so stronger provinces make sure that provinces that go through weaker periods from time to time share in the wealth of the whole nation.

I resent the opposition motion today because it really is not a motion that speaks about how we build a stronger Canada. It is not a motion that is sincere because it is coming from a party that

basically wants to destroy the country. I do not want any part of it.

[Translation]

Mr. Ghislain Lebel (Chambly): Madam Speaker, I listened carefully to the much too lengthy comments of the hon. member for Broadview—Greenwood who talked about almost everything, except regional development.

I want to point out to the hon. member that although it is true that the federal government is about to transfer \$70 billion to Quebec in the next five years within the equalization program, this money comes for the most part from the pockets of Quebecers. The only pennies which are paid to Quebec but do not come from the pockets of Quebecers are those which are borrowed in their names. The government should know it and stop acting as if it was always playing Santa Claus because it is not true. The government is acting in bad faith.

Canada's accumulated deficit of some \$500 billion is nothing to be proud of, even in Broadview—Greenwood. Our economy is in such a mess because of the accumulated debt that they should not dare play Santa Claus.

Members of the Bloc have been rightfully and legally elected to this House and they have a right to speak and the hon. member for Broadview—Greenwood is not the one who will silence us. If this does not please him, he can always go behind the curtain. This is maybe where he will do his best work.

Moreover, we are here to talk about regional development. Did the hon. member tell us about regional development infrastructures? We would have expected him to talk about that. Did he say anything, for example, about regional airport infrastructures? This is an important issue. My riding of Chambly is located in the Richelieu valley and includes some large municipalities. We have a road system. We have provincial road infrastructures that were not given to us by the hon. member for Broadview—Greenwood. They were paid for by the province of Quebec.

(1515)

We have a nice road system that, unfortunately, is deteriorating rapidly because the Liberals have cut rail transport, because they have abandoned rail lines everywhere. That forces us to overutilize our roads, which are paid for with provincial funds.

The hon. member for Broadview—Greenwood tells us that the federal government helped make Hydro-Québec what it is today. If the federal government ever gave a penny to Hydro-Québec, Madam Speaker, I would like the member to compare that with the amount of money that the federal government gave to Atomic Energy of Canada, in Ontario, over the same period. There is absolutely no comparison possible. They are federalists. The hon. member for Madawaska said that some people in this House have a selective memory. I think that applies very

much to members of the present federal government. Talk about selective memory! The federal government never gave a penny to Hydro-Québec, as opposed to billions of dollars that were given to Atomic Energy of Canada.

The member did not talk much about Hibernia. Regional development is important. We need the infrastructures and we have to spend money for that. Let us take regional airports, for example. I said a few minutes ago that the town of Richelieu, in my riding, and all the surrounding towns, including Marieville—almost all of which have a small industrial park and a good road system connecting with the Montreal-Sherbrooke freeway, Highway 10, Highway 30 and roads to the United States, and are not far from railway lines which have not yet been abandoned—adopted resolutions asking for a regional airport.

Many people, including those from Sivaco, a fair-sized factory in Marieville, talked of closing their doors because the senior executives who come from God knows where in the United States find that there is an access problem because they have to land in Montreal and then travel the rest of the way by car in winter. They would prefer to have a small airport close by.

So the towns adopted resolutions to that effect and we are trying to wake the federal government up because it has the bad habit of investing only when it can see the picture of the minister responsible for the area in local papers; otherwise regional development does not interest it. They did that to me last week in Saint-Bruno, when the Minister of Canadian Heritage came to announce a contribution of \$11 million from the infrastructure program and tried to convince the people there that that money was a gift from heaven, from a place not far from Toronto, probably Broadview—Greenwood.

I conclude by saying that instead of moaning as they have all day about the presence here of the Bloc Québécois, they should shoulder their responsibilities and do some regional development. That is what we need and that is the subject of today's debate, whatever the hon. member for Broadview—Greenwood may think.

[*English*]

Mr. Mills (Broadview—Greenwood): Madam Speaker, I would not want the hon. member to think that I was whining. I was merely trying to point out to the member and to members of the Bloc that the province of Quebec has benefited by being part of Confederation.

I can say that James Bay has received hundreds of millions of dollars from the national government, from environment and from Canada Mortgage and Housing for every aspect of that

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project. If you do not believe me go to the Library of Parliament and they will produce the records dollar for dollar for you.

(1520)

There is no resentment for that. This is part of Confederation. All we are saying is do not pretend that the national government has done nothing for the province of Quebec. My goodness, that is an insult to all the elected members who come from Quebec.

Look at the 16-year period of Pierre Elliott Trudeau when the Liberals had 74 out of 75 members and see all the great things that happened in the province of Quebec.

The difference was that those members of Parliament believed in Canada. If this group over here would start believing in Canada maybe then we could get our economy going a little better and maybe we could put even more money into the province of Quebec. That is how we would get more Quebecers back to work.

Throw away this idea of destroying the country and get back to reality. You will never be able to build a strong economy by ignoring the fact that a great deal of the reason we are rated number one in the world today as a nation to live in is because historically we have all worked together. The minute that we destroy that reality of Canada, it is not just your constituents who are going to suffer, it is mine and everyone else's in this country.

That is why I become very emotional about my country. I believe and I am going to continue to preach the fact that when you are in this House of Commons you should be building Canada, you should not be here trying to destroy it.

Mr. Jim Abbott (Kootenay East): Madam Speaker, I will be sharing my time with the member for Edmonton Southwest.

One of the most interesting things about human beings is that we very frequently do not learn from history. If we do not learn from history the one thing that we can count on is the fact that we will be doomed to repeat it.

When I was first involved in business, going back a few years to the very early seventies, I became aware of a government regional grant program under the acronym of DREE. Somehow under this DREE program the decision was made that the West Kootenays would be a have not portion of my particular part of the country whereas the East Kootenays had a lot of funds and could do its own thing.

As a result of the DREE program, there was a decision to go ahead with a chainsaw manufacturing process at Waneta, just outside of Trail in British Columbia. This chainsaw manufacturing was really spot on in terms of its time in coming to the market. Rather than just manufacturing chainsaws it was manufacturing a small personal portable chainsaw. For those of

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us who are familiar with what was happening in that particular marketplace, it was very timely. Between 1972 and 1976 DREE put \$200,000 into that chainsaw manufacturing company.

In Castlegar at about the same time there was another venture that went forward to generate light weight travel trailers. If we go back 21 or 22 years in our minds, we realize that there was a market for a light weight travel trailer. DREE had this light weight travel trailer manufacturer set up in Castlegar and put in \$220,000.

Unfortunately, I am forced to report that neither of these ventures are still in place. As a matter of fact, they disappeared from the business scene. They are gone.

Working a little bit in this direction, in the early eighties in Cranbrook, which is where my home constituency is, there was a printing company. I am not really sure of the figures, but it was put into place with between \$496,000 and \$750,000 of government grants. That business went for about 24 months, ran into cash flow problems and the business was shut down. There was no way the government could ever recover its over half million dollar investment. Because it had run into the cash flow problems it had let its insurance lapse. The building was vandalized and hence there were no assets for the government to reclaim.

(1525)

Coming even further forward into the mid to late 1980s I am very familiar with an operation in Langley. This one, instead of being unfortunate, unfortunately was a scam. A company decided to develop a communication development laboratory. The principals of that firm actually disguised antiquated equipment. People in smocks were running around and this fooled the government inspectors. The venture lasted one year. It was not quite enough of a scam to catch the attention of the police. As a result Canadians are out half a million dollars.

My thesis is if the marketplace will not support a business start up it likely will not support the business. That is the fundamental flaw, the fundamental problem of regional development grants.

Let me give some specific examples. The federal government wants to forgive \$5.3 million it lent to the Sydney Steel Corporation of Nova Scotia which is owned by the Nova Scotia government. The Cape Breton company borrowed the money in the early 1970s to build a wharf. The government also wants to forgive the \$20.4 million in interest payments the corporation now owes on that loan.

The government wants to forgive a \$4.6 million loan to the International Tin Association, an organization set up to help stabilize the tin process. Since the association was disbanded in 1985 the government has determined the chances for repayment are rather slim.

We have an absolute hole as it were that we seem to be constantly pouring money into with good intentions. I sincerely applaud the motive, the background, and the desire of the government. Unfortunately, it has not learned from history.

In doing some research on this speech I had my assistant make some telephone calls and he reports this:

“Government’s best intentions whether it be to assist small business or to employ people or train people would be best left to the people who know how to develop and manage company’s employees, which means small business people in every community.

The best way government could do that according to the people I have talked to would be for the government to demand less from each small businessman in the way of red tape, completing forms, GST returns, in other words the services he is required to fulfil for the federal government. This would allow him more time to do what he does best which is to effectively run his company so as to produce some real dollars and provide real lasting jobs for people in his community and Canada as a whole.

Government by trying to control the labour market that interferes with supply and demand whether it be printers or cows only interferes with free enterprise and the people who really know the marketplace”.

My point is that when the government gets involved with throwing around taxpayer’s money unfortunately that almost invariably interferes with the normal marketplace.

The very best result that we can expect from the funds the Atlantic Canada Opportunities Agency and the Western Diversification Fund are throwing into the marketplace is that it will simply distort the marketplace. The difficulty is when it distorts the ordinary marketplace it makes it difficult for successful tax paying businesses to be able to continue in business. They find that all of a sudden their taxpayers’ dollars are being used to subsidize businesses that are in competition with them.

I have been hearing a little bit of yapping from the other side of the House. Perhaps if they were to talk to some of their business people they would get exactly the same story as I am relating here.

(1530)

I have explained the best result. The worst result is probably best explained when western economic diversification fund officials on January 16, 1990 lent \$526,990 to Myrias Research Corporation. On April 17 they gave it another \$1.4 million. On May 30, 1990 they gave it another \$686 million. On August 9, 1990 they gave it another \$775,000. On October 5, 1990 they gave it another \$517,000. On October 26 the corporation was placed in receivership.

If the government, which has the best of intentions, granted, is not prepared to take lessons from history and learn from history then we have the difficulty of repeating history.

Mr. Alex Shepherd (Durham): Madam Speaker, talking about taking a lesson from history, I wonder how the hon. member's party would have existed in the early stages of our history when the government actually had to finance Canadian Pacific to build a railway across the country to link the country together to create the nation we live in today. It seems, if we had had a Reform Party representing the people out west, they would not have been part of Confederation in the first place. Incidentally that was a perfect example of the government getting a business going, turning it over to private hands and turning it into a success story.

All I hear from the Reform Party is about failures. Certainly every time we get involved in a business venture there is the possibility of risk, the possibility of failure.

I also want to focus on another aspect of regional development. In some of these areas the federal government through a process of transfer payments or whatever is sustaining people. We have people on welfare and on unemployment insurance.

I would like to direct a question to the Reform Party. If we have a choice between paying people to sit home and do nothing or trying to create worthwhile jobs and careers for people to get out of that situation, which is more preferable?

Mr. Abbott: Madam Speaker, the member raises the interesting point of bringing 1800 solutions to 1994 problems.

In 1800, when the CPR was being put together, we did not have the gigantic welfare state we presently have. We did not have unemployment insurance. We did not have 53 per cent of all government spending going to individuals in a giant welfare state like the Liberals in particular pioneered through the seventies.

With the greatest respect, I must agree with the member about the Canadian Pacific. Clearly it is a fact of history that it tied Canada together; it is a done deal. How much did it really cost Canada by coming out west when we take a look at the amount of property that was given to the corporation, or by coming out west when we take a look at the fact that we are still basically paying for the line?

That is fine. That is history. I am proud of Canada. I am proud to be a Canadian. I am happy the CPR was brought in. However I suggest with the greatest respect that he is bringing an 1800 solution to a 1994 problem.

Supply

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Madam Speaker, I wonder if the hon. member, with his great knowledge of Canadian history, is aware of a certain phenomenon that took place in post-war Canada, in Atlantic Canada and eastern Canada in general but most particularly in Atlantic Canada.

Atlantic Canadians paid \$5 over world price for their oil that went to the province of Alberta so that the oil industry could off the ground. Eastern Canadians, maritimers, Atlantic Canadians, did this in good faith because they believed we were one country. They believed an oil industry in Alberta would be a good thing for Canada, and they did it with pleasure.

Therefore, would the hon. member like to comment on that fact, if he knows about it?

(1535)

Mr. Abbott: Madam Speaker, I would be very interested in receiving some documentation of the fact the member has put forward. My understanding of the oil industry in Alberta is that it was financed fundamentally from the U.S. That was where most of the dollars came from.

However, I suggest as part of the price the people in Alberta have paid in order to be in Canada under the wonderful—

The Acting Speaker (Mrs. Maheu): On a point of order, the hon. member for Chambly.

[*Translation*]

Mr. Lebel: On a point of order, Madam Speaker. We would like to listen to the remarks of the hon. member, but it is difficult because some members are talking in front of us. Could all members be more cooperative?

The Acting Speaker (Mrs. Maheu): From time to time, there are heated discussions in the House. The hon. member should use his earphone, and I would ask all hon. members to show more consideration.

[*English*]

Mr. Abbott: Madam Speaker, I was about to say that the people of Alberta can recall very clearly, very vividly, the confiscation of \$67 billion from one province to central Canada under the Liberal government's national energy plan. The point therefore I want to make is that the people in western Canada have contributed very much.

With the greatest respect to the people in Atlantic Canada, I do not think they have an edge on contributions to Canada.

Mr. Ian McClelland (Edmonton Southwest): Madam Speaker, it might not be a bad idea for members opposite and those Canadians viewing the debate at home if we were to go over the motion again so they know what we are talking about.

Supply

Today is a supply day which means the opposition, and in this case the Bloc, supplies the motion for debate in the House. The motion the Bloc Quebecois put forth for debate today reads:

That this House condemn the federal government's ineffective regional development interventions, which create overlappings and inconsistencies, resulting in an administrative chaos that hampers regional economic growth.

Although I probably would not have put it in those terms at all, the whole notion of Canada's regional development is one of the basic differences between Canada and the United States, Canada and many countries in the world. There are not many countries in the world that take resources from one part of the country and transfer them holus-bolus to another part of the country in order to create some sort of evenness across the country.

What usually happens in terms of world affairs is that they make sacrifices for the future. Perhaps none of us would be here in Canada today, or very few of us except the indigenous people, if our forefathers had not left where they were so that they, their children and their grandchildren could have a better life in a new country.

What has happened in Canada over the years is that rather than making the sacrifices for the future, we made the future sacrifice for us today. Today when we are making transfers of money from one part of the country to another, by and large the transfers of money are transfers of borrowed money. We are really transferring money and wealth from future generations to this generation and then once again transferring it to another part of the country, in the hopes that it will make one part of the country work a bit better and that we will have a more even playing field.

I guess the debate is not really out. Does it work? Is it effective? If it worked probably there would not be much debate about it because we would recognize it as a good thing.

Given that we have been doing this transfer of resources from one part of the country to another over these years and given that it really has not changed the nature of dependence in various parts of the country, it is reasonable to question whether it works at all.

(1540)

The basic premise of the Bloc motion is to suggest that perhaps this money transfer could be done in a more efficient and more effective way. From the Bloc's perspective it would like to see all the money transferred to the province of Quebec and the province of Quebec making the determination, controlling all the strings, even though it is federal money. The real question, though, is whether or not we should be doing it at all.

I would draw the attention of hon. members to the situation that exists in the United States. The southern United States, as many members would know, for many years languished relatively poorly compared with the northern and western United States.

Yet today the south is vibrant and flourishing in part because it was not force-fed resources from the more prosperous parts of the nation and in part because they have a triple-E senate. Things were able to find their natural level. The cost of land and the cost of being in business today in the southern United States are less than in the north. Therefore people establish their businesses in the south.

We do not have the same playing field in Canada because we have a federal system of government that favours central Canada at the expense of the regions, particularly the maritimes. If we had a system of government that did not favour one part of the country over another because the vast majority of the population of Canada is centred in Ontario and Quebec, we might not have the need for regional economic expansion.

I suggest we should give some thought to why we got into this situation in the first place. The Bank of Nova Scotia headquartered in Toronto is not called the Bank of Nova Scotia because it started in Toronto. It is called the Bank of Nova Scotia because it was established and started in Halifax. Why did it move to Toronto? It is because that is where the economic base of the country is. Chapter and verse the concentration of wealth is in Ontario and Quebec because that is where all the votes are in the country.

We need to change things in a much more fundamental way. As a Parliament we should consider a triple-E senate because in my opinion it would help dramatically in regional economic expansion.

Does it work? Is it worthwhile? We have read with considerable interest that the new entrepreneurial class in Quebec in the last 20 years or so has created a revolution in thinking and in spirit. My colleagues from Quebec could speak in much more detail about it, but that is the perception many other Canadians have of the entrepreneurial class in Quebec.

Quebec and Alberta in harmony embraced the whole notion of NAFTA or free trade with the United States. As a matter of fact Canada has free trade with the United States in very large measure because Quebec wanted it and Alberta wanted it.

Let me just read a few statistics about what has happened to the west after five years of free trade with the United States. I submit that in these statistics lies the avenue for expanded economic activity for Quebec, for the maritimes and for all other parts of Canada. I am quoting from a report by the Centre for International Business Studies, the Faculty of Business, University of Alberta, Edmonton, dated April 1994:

Over the five year period, 1988 to 1993, the value of exports from western Canada grew by 23 per cent, while exports to the U.S. market rose by 58 per cent. The growth of total exports amounted to 51.3 per cent for Alberta, 18.4 per cent for Manitoba, 9 per cent for British Columbia, and 3.7 per cent for Saskatchewan. The growth in exports to U.S. markets was 77.1 per cent for Alberta, 70.4 per cent for Saskatchewan, 46.4 per cent for Manitoba, and 34.2 per cent for British Columbia.

Supply

(1545)

I recognize that in quoting all these numbers it ends up being a major jumble. However, the fact remains we are not going to get rich in our nation by transferring wealth from one part of the country to another and then quibbling over who got more and who got less or where it came from. We are going to be wealthy as a nation because we produce wealth all over Canada. As an exporting nation we export primarily to the biggest and wealthiest market in the world which is right next door to us no matter where we live in Canada, the United States.

If we would put half of our energies into developing our manufacturing base, our competitiveness and our export markets and break down the internal trade barriers so that we are competitive within the country and put those energies into exporting and developing our markets in the United States and elsewhere in the world, we would gain dramatically. This incessant bickering about who gets more and who gets less within our Confederation is destructive and leads nowhere.

Mrs. Brenda Chamberlain (Guelph—Wellington): Madam Speaker, the hon. member for Edmonton Southwest used the words quibbling and bickering several times. That concerns me. As a new member in this House I have heard a lot of quibbling and bickering and quite frankly, it has come from that side of the House.

A colleague from eastern Canada not so very long ago talked about the people whose livelihood in fishing had been suspended. They were glad this government was helping them, that it was willing to stand up for what we might call our brothers and sisters in our family. I believe Canada is a family. I think the Reform Party shares this view and believes that Canada should continue to be a family and live as one. As a family, sometimes it is important to help each other. When we talk about putting money into different parts of Canada sometimes that is the reality. In tough times we have to stick together and do what is right for the country.

Members have spoken today about history repeating itself. Many times in Canada's history it has been very positive to put money into different parts of Canada and to have jobs flourish and grow through that. Sometimes a hand up is a help.

Does the hon. member honestly believe there is a simple solution? Should people only look out for themselves in their own backyards and not for the rest of the people in the community or country? Does the member believe that being a grab all and keeping it for himself would promote growth and jobs?

Mr. McClelland: Madam Speaker, in response to my hon. colleague's questions, I do not remember saying anything about a grab all in my presentation. One must be very cautious in using the term grab all. What we are talking about is putting money

into the hands of individuals, in lending a helping hand and a hand up. I do not think that anyone seriously quibbles or quarrels with that.

What we do have a problem with is when the federal government taxes individuals and takes the money into government. It takes a dollar from the hands of the taxpayer and then spits out 20 cents into the arms of a business. That business will then go into competition with the business which supplied the taxes in the first place.

(1550)

This debate has nothing to do with transfers to individuals. It has to do with regional economic expansion, which is federal government money going to businesses and the federal government picking winners and losers, or any government picking winners and losers. I submit if members were to make a list of winners and losers that all levels of governments have picked, the list of losers would be as long as their arms and the list of winners would be very short indeed.

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration): Madam Speaker, I am absolutely delighted to be able to stand here today and set the record straight on some rather outlandish statements by Her Majesty's Loyal Opposition and Official Opposition.

To claim that regional economic development efforts are creating overlap and inconsistencies resulting in "administrative chaos" could not be further from the truth. This government's approach to economic development is working and is working toward eliminating the very overlap and duplication my hon. colleague speaks of.

In particular, the record shows that the approach being taken in regional economic development by the Atlantic Canada Opportunities Agency is extremely effective. In fact, given its success in creating permanent jobs, ACOA is this government's prime instrument to create economic development in the Atlantic region.

The regional agency approach has the full confidence of the government. Important gains have been made, but our government is still not satisfied with the rate of economic growth in Atlantic Canada. As such, much remains to be done to assist the region in attaining its full potential.

[*Translation*]

In order to help it respond to new development challenges, the agency must strategically direct its help to the most promising economic development opportunities in terms of job creation. Moreover, ACOA must become more aggressive in its efforts with small businesses to help them discover viable commercial ideas and actively realize them.

Supply

Atlantic Canada's economy is going through a transition, which can also be said of the rest of Canada and, in fact, most industrialized countries. Many factors explain this transition, the most notable being the changing structure of international trade, the speed of technological development and the generalization of government policies and the changes made to them.

[English]

This trend is likely to continue at a rapid pace over the current decade. Trade liberalization offers numerous opportunities for trade development. New technologies offer tremendous opportunities for productivity improvement in all sectors of the economy and in all phases of the production process. All of these will open new opportunities for Atlantic Canadian producers and entrepreneurs, but will also translate into increased and intense competition on domestic and world markets.

Governments increasingly constrained by mounting debt loads are forced to rethink their role and review social and economic programs. Speaking of learning from history, that is what this government is doing and that is what it is doing particularly through the mode of ACOA.

First let me talk about the comprehensive approach to the economic development of the Atlantic economy. Regional economic development programs are not immune from this review process and ACOA is currently defining new corporate directions.

The current government recognizes that strong regional economies are the building blocks for a strong Canadian economy. However, a new and more innovative approach to regional development needs to be developed, taking into consideration the global environment and tight fiscal constraints. Job creation will be the prime guiding principle for this new approach. This fulfils the promises we made in the red book and it is part and parcel of the philosophy and the base of this Liberal government.

Small and medium sized enterprises, SMEs, will be the focus of ACOA's programming and initiatives. The general approach will be to build on the expertise of all agents for economic development. This calls for economic co-operation, joint action and integrated development at the regional level.

(1555)

Strong emphasis will be put on public sector and private sector partnering and the mobilization of scarce resources necessary to achieve strong regional economies and help regional firms and industries meet the challenges of international competition and change.

Second, we have to improve co-ordination among federal and provincial governments. A major regional development priority of this government is to work closely with provincial govern-

ments to ensure that the federal government is a partner in the formulation of regional development.

[Translation]

A second guiding principle given for job creation is as follows: in conjunction with provincial governments, we will try to reach the goals set in the strategic economic plan by focusing our efforts on tourism infrastructure, on commercial applications of research and development in local institutions and on assistance directed particularly at small businesses.

The government also recognizes that it is imperative to take at the regional level some action to improve co-ordination and effectiveness under the present circumstances of fiscal restraints and a heavy debt load.

There must be a greater harmonization of efforts and actions by the federal government and the provinces in the area of regional development. In view of its size and population, the Atlantic region will be able to compete more effectively on the world market if it integrates its economy, harmonize its strategies and co-ordinate its activities on a regional basis. ACOA has already taken the first steps by establishing such co-operative efforts at the regional level. Partnership with the tourism industry in Atlantic Canada, which was talked about earlier, is an eloquent example of that.

I also just recently announced an important measure on trade in the whole region, that is the co-operation agreement between Canada and the Atlantic provinces. That measure deals with the promotion of external trade. It will unite the four Atlantic provinces, ACOA, Industry Canada and Foreign Affairs and International Trade, in their efforts to help small and medium business in capturing export markets.

However, it is possible to do even more and, in order to do so, the president of ACOA conducts a forum of deputy ministers responsible for economic development in the provinces. This forum has the mandate of harmonizing even more the development efforts in the Atlantic region.

[English]

Improving government services to small and medium sized business is a high priority for this government. In "Creating Opportunity" this government pledged to review regional development programs and grants to business to ensure that they reflect a commitment to streamline government operations and eliminate duplication, to provide better support to commercial applications of R and D, to export oriented industries, and to small and medium sized businesses.

To this effect ACOA has established a Canada Business Service Centre in Halifax. One is currently being set up in Fredericton. Plans call for two other centres, in St. John's and in Charlottetown. These will serve as one stop shops for all federal and provincial government assistance to business. These centres will help improve considerably the delivery of assistance to these businesses.

Supply

There is currently numerous overlap and duplication in programs and services among federal departments and between provincial and federal governments. The CBSCs as well as the harmonization process between the federal government and provinces will contribute significantly toward elimination and reduction of overlap and duplication.

ACOA as the government's primary industry for supporting small business in Atlantic Canada is well placed to play a lead role.

[*Translation*]

The emphasis will be put on the creation of permanent jobs as well as on the economic renewal, through the infrastructure program.

(1600)

We expect that 7,500 jobs will be created in the Atlantic region during the first two years of the infrastructure program. This program is making good progress and to date, 164 projects have been announced, representing a federal contribution of over \$72 million earmarked for projects worth almost \$200 million. This will create a little over 2,500 jobs.

Effective infrastructures will be put in place to attract industries to the communities. This new way of doing things will lead to increased competitiveness, a positive adjustment of the declining sectors, and a maximization of new opportunities.

ACOA, together with other federal departments, the provincial governments and its partners in the private sector, will concentrate its efforts on improving the competitiveness of the businesses in the Atlantic region so that they can compete on regional, domestic and international markets. To achieve this, ACOA will target the aid for adopting and adapting high technology processes and information technology as well as developing human resources to improve the quality of labour management and finally allow companies in the Atlantic region to exist and to grow in today's highly competitive environment.

[*English*]

One example of the type of innovative small company which the agency intends to target is Holland Stafford of Charlottetown which has become a leader in seafaring technology. This company has recently developed hundreds of new patterns for boat propellers by incorporating the latest technological developments and using new computerized design methods. This expertise has enabled the company to successfully expand into international markets for these products, as I am sure my colleague from Egmont would agree.

Another example is Eastland Industries in Minto, New Brunswick which has set up a new computerized assembly line of production machinery. This innovation has helped it expand its sales of European style cabinets and countertops to the Atlantic and New England markets.

Rationalization is occurring in all traditional industries: pulp and paper, fisheries and mining. As a result, employment in these industries has been declining. The transportation sector, notably railways, has also been shedding unprofitable activities which will also result in job losses.

The demilitarization ensuing from the end of the communist regime in eastern Europe is resulting in the closure and downsizing of many bases in Atlantic Canada. This has been accompanied by the loss of military and civilian jobs.

ACOA is taking a lead role in working with other federal departments, provincial governments and the affected communities to put in place development to replace these jobs. Some funds will soon be available to help communities get organized and develop and implement projects. ACOA's regular programs will of course be available to assist businesses seeking to establish or expand in these communities.

Trade liberalization, as reflected by the General Agreement on Tariffs and Trade, the Canada-U.S. free trade agreement and the NAFTA and, to a lesser extent, the economic integration of the European community, offer numerous new opportunities for Atlantic firms.

ACOA will put significant emphasis on trade development so that entrepreneurs in Atlantic Canada can take full advantage of opportunities arising from trade globalization.

A proactive approach will be adopted to support sectors and firms which have high growth potential. There will be a focus on high growth potential sectors such as communications and information technology, health industries and pharmaceuticals, geomagnetics in space. Development at the firm level will be encouraged through such measures as diagnostic services, benchmarking and strategic planning.

Another example of a small company that has been able to penetrate export markets is Day Industrial and Minetech Incorporated in Cape Breton. The company has developed a long lasting, durable lamp for Cape Breton coal mines. It now sells its products to mining and other markets in Canada, the United States, Australia, Europe, South Africa and South America.

Some of our friends across the way do not think that this is a good way to invest in Canadians. I think that is a shame.

Ultima East of St. John's, Newfoundland has developed into a world leader in the development of access technology for mobile satellite data networks. Satellite Communications is a global industry and the company has developed a large foreign

Supply

market, including Brazil, Norway and the United States. Ultimate East has rapidly emerged as a success in a highly technical and competitive field. Started in 1985, Ultimate East and its parent company, New East, now employ 50 people, but hey, why should we put money into ACOA?

(1605)

ACOA with other federal partners and the provinces has also a major role to play in maximizing the benefits from major projects such as the Northumberland Strait crossing project, the link, or as some of us like to call it, the span of green cables, and in helping deploy effectively the workers who will be displaced from cessation of the ferry service. The link will be unique in North America and world class. It will cost about \$800 million to build and generate 5,000 person years of employment, 2,000 during the peak employment period.

The project will offer numerous regional benefits in terms of procurement, including goods, services and labour, significant investment opportunities and spin-off activities. The developer is committed under the regional benefit agreement to procure 70 per cent of goods, materials and services and 96 per cent of labour content from Atlantic Canada. I think that is a great idea. I think the member for Egmont would agree with me.

Mr. McGuire: I agree.

Ms. Clancy: I would bet even the member for Guelph—Wellington would agree with me.

Mrs. Chamberlain: Agreed.

Ms. Clancy: The agencies major objectives are to help ensure that the construction of the project contributes to ACOA's major corporate objectives of long term job creation and attracting new industries, to help ensure that the developer complies with the regional benefit agreement, to help mitigate the negative impact of the cessation of the marine Atlantic operation, to help minimize negative effects on marine Atlantic workers displaced by the construction of the fixed link, to help maximize development opportunities and benefits for the Borden area of Prince Edward Island and the Cape Tormentine area of New Brunswick arising from the Northumberland Strait crossing project.

The federal government is committed to providing \$20 million to fund development activities in these areas. As a mariner, as an Atlantic Canadian, I say hooray.

[*Translation*]

Like the other Canadian provinces, those in Atlantic Canada must face the major stakes created by the world economy which has become more and more competitive because of trade globalization and free trade. Moreover, Canadians from the Atlantic region must deal with a new reality: a systematic structural

transformation of some major industries like the groundfish fisheries.

If ACOA really wants to help the area to cope with the situation, it must absolutely use the meagre monetary resources it has in the best possible manner.

The agency favours direct support of those sectors and companies which hold the most promise in terms of permanent jobs creation for Canadians of the Atlantic region. This government is determined to make the best possible use of its meagre resources by eliminating duplication and overlapping in services and programs offered to businesses and by reducing the number of departments and agencies providing those services.

Besides, the agency will continue to improve the efficiency of public investments by obtaining a greater commitment from the private sector towards the development of small and medium-sized businesses. But it is also the agency's responsibility to administer the resources allocated to it in the most effective way possible.

Discussions about the necessity for Canadian businesses to improve their productivity to allow the country to be more competitive on the markets have become commonplace. However, the improvement of productivity is very important for the overall competitiveness of the country. The government is determined to improve the effectiveness of the bureaucracy, and I can tell you that any other private or public organization would die to be able to show results comparable to those of ACOA.

(1610)

[*English*]

The agency's move to focus its activities on improving the competitiveness of small and medium sized business is more credible because ACOA has demonstrated it has an understanding of what is needed to improve efficiency and the benefits that are possible.

Over the last three years ACOA has been able to reduce corporate administration costs as a percentage of total agency costs by 20 per cent. The agency is forecasting a further drop of 25 per cent and so costs are expected to be only 3 per cent this year of total costs.

Part of this government's commitment to creating opportunity has been to look at the relevance of all bodies and recommend elimination or downsizing.

Shortly after taking charge of the agency a study was commissioned by Dr. Donald Savoie of the ACOA advisory board. The study was made available by the minister to the public. The recommendations are now being considered and he will soon be making recommendations in a number of areas, including the issue of streamlining the board's operation.

Supply

The savings which have been achieved and those which are able to come will potentially allow a transfer of funds from operating costs to contributions in support of SME growth and competitiveness.

We in Atlantic Canada are very happy with ACOA. We are very happy as members of Parliament for Atlantic Canada and as Canadian members of Parliament that this government is committed to the regional development of every part of the country. The best and happiest Canadians are those with economic security. This government and ACOA know how to put that in motion.

Mr. Benoît Tremblay (Rosemont): Madam Speaker, I want first to thank the member for Halifax for her efforts to speak French.

[*Translation*]

I know that the member has a lot of experience in this House. When she was in the opposition, I heard her talking about the Atlantic development agency. Besides, I was Parliamentary Secretary to the Minister of Industry, Science and Technology when the act on that department was voted on, and I remember there were a lot of criticism of what was done.

The government has now been in power for six months. Today, in order to justify the work done by her government, the parliamentary secretary gives us a list of businesses which received grants, obviously before her government came into office.

However, I am happy to see that she thinks that having a regional development agency for Atlantic Canada is a good decision taken by the Conservatives because Canada is becoming more and more a country of economic regions where the market trends are more and more south-north and north-south than east-west.

However, I have to admit that nothing was said about Hibernia. This is incredible. If we were to put in the bank all the money spent on Hibernia, we would have enough money for the Atlantic Canada Opportunities Agency for the next 100 years. We would get hundreds of millions each year in interest alone on the money we are going to waste. What is the government doing? Nothing. We are wasting billions of dollars for something which has no viable future. It is unbelievable.

The parliamentary secretary is telling us about duplication and overlapping. She should thank Quebec for putting this on the agenda and making it a major issue. Clearly, in the years to come we will be less and less able to afford duplication and overlapping between the federal and provincial governments.

Those who wish to stay within Canada can try to come to an agreement with the federal government to limit duplication. However, when we talk about harmonizing it means that some-

one has decided to harmonize as he or she sees fit. That is exactly what the federal government is doing with respect to manpower despite the fact that, in Quebec, all stakeholders have agreed that Quebec should be responsible for manpower training.

However, the federal government has been refusing for years. We are promised agreement after agreement, but nothing ever comes about. What the government is seeking is not harmonization but centralization. Yet, we know that in order to have endogenous development in the regions they need resources. They need to have, locally, the right, the power, and the capacity to undertake projects without the federal big brother who thinks he can always do better than anyone else. This is the problem in this country.

(1615)

If the Liberal point of view had a purpose, with the huge amount of money invested in the Maritimes, this would be heaven on earth. The role of the federal government in regional development has a purpose.

Ms. Clancy: Absolutely.

Mr. Tremblay: Maybe. The parliamentary secretary thinks Atlantic Canada is heaven on earth; maybe for her it is, but for the thousands of unemployed, for example those who have to move, it is certainly not a paradise. There is considerable work to be done and we think people can do better locally than whatever the civil servants could do here in Ottawa.

We also think that Fisheries and Oceans officials would be better off in Newfoundland than in Ottawa. Of course the federal government always thinks it can do better.

There is another very important point the parliamentary secretary forgot in her speech and it concerns the regional economy of the Atlantic region and Montreal. What is the government planning to do for the conversion? It certainly has a role to play in this issue since it was the one to give out the contracts. We all know that defence programs will decrease in importance because the government is getting out. Therefore, we must make sure that conversion programs from military to civilian use are implemented. We have been fighting for weeks here in the House for such measures. There even was an opposition day on that issue. The military economy is still important today; companies producing military equipment are very important in the Atlantic region. But the speech says nothing about that.

They refer to successful projects, projects that produced good results during the Tory mandate and they say: "Look at these achievements; that is what the Liberals want to do". Meanwhile, they continue to forget the true role of the federal government in the conversion of military industries into civilian ones. That is the government's responsibility; the American government accomplished that very well by the way.

Supply

So if we want regional development in the Atlantic region, we must let the local people decide for themselves. We must stop spending billions of our taxpayers' money on stupid projects like Hibernia and we must immediately implement a conversion program for military industries.

The Acting Speaker (Mrs. Maheu): I would like to remind members that this is a question and comment period; we are not on debate.

Mr. Tremblay: This was a comment, Madam Speaker.

The Acting Speaker (Mrs. Maheu): If I may say so, it was a very lengthy comment.

Mrs. Clancy: Madam Speaker, the member's comments are not causing me any problem; I accept them at face value.

[English]

I would like to say a couple of things. First, if the hon. member would like to have a debate on the principles and the reasons for the setting up of Hibernia I suggest that he bring it forward. I would be delighted to debate him on that topic at any time.

However, I came today to talk about regional development in general, and ACOA being the vehicle for that that was the reason that I decided to use ACOA. I understand that the hon. members of Her Majesty's Loyal Opposition are not perhaps aware of what really happens in Atlantic Canada. As an Atlantic Canadian member of Parliament it is my duty to make them aware of it.

I believe that Atlantic Canada is a heaven on earth due to long time Liberal policies. To make it a true heaven on earth, it would perhaps be wise if some people would stop trying to rip the heart out of my country.

To get back to the point I made before to the hon. member, I am glad that he remembers his previous role in a government which pursued, I might add, a scorched earth policy in Atlantic Canada. Those days are over. It is unusual for members of le Bloc to remember that their birth came from the Progressive Conservative government that did such damage in Atlantic Canada. I think it is quite honest and shows a level of integrity in the hon. member that he admits his role in that pernicious government with its pernicious policies and that he is obviously prepared to seek some sort of absolution from those of us in Atlantic Canada.

He is not going to get it. He certainly is not going to get it from me. What he is going to get is good policy, job creation and a belief in every region of this Canada; Atlantic Canada, Quebec, Ontario, the prairies, the west and the north. One country united, indivisible. As I have said the heart in the province of Quebec remains strong.

(1620)

The Acting Speaker (Mrs. Maheu): One short question from the hon. member for Vegreville.

Leon E. Benoit (Vegreville): Madam Speaker, does that mean that I cannot ask all three of them?

The Acting Speaker (Mrs. Maheu): I am sorry. That is the unfortunate part about long comments.

Mr. Benoit: I will make the question very brief to the hon. parliamentary secretary.

First, have the billions and billions of dollars spent on programs for regional development in the maritimes and the dozens of programs helped the maritimes to the extent that they are equal with other provinces in Canada in terms of their economy?

The second is a comment made by the Parliamentary Secretary to the Minister of Industry earlier that Alberta and B.C. had given over \$100 billion more than they had received from the coffers into the federal government coffers. In fact the figure should be between \$100 and \$160 billion in Alberta. Does the member think that Albertans are willing to give more?

Finally, I would like a response to this very brief quote: "A reliance on grantpreneurship as opposed to entrepreneurship has fostered artificial local competition and created distortions in local markets".

The Acting Speaker (Mrs. Maheu): I am sorry, I would like to give the hon. member a few seconds to respond.

Ms. Clancy: Madam Speaker, I appreciate the hon. member's question. I would although ask him to use words that I am familiar with in either of the two official languages.

Mr. Benoit: They are from the red book.

Ms. Clancy: There is no such word as grantpreneurship.

Mr. Benoit: That quote is from your red book.

Ms. Clancy: Madam Speaker, do something about him, will you. I did not think I was going to have to come here and give lessons in history but obviously the Reform Party needs it. If he wants to know about the history of this country and what Atlantic Canadians have given in dollars he might talk to his pal across the aisle who did have a history in Atlantic Canada.

He might want to know for example when I brought it up to his friend from the Kootenays earlier today that for over 20 years Atlantic Canadians paid an extra \$5 over world price on every barrel of their oil to go directly, my learned friend, into the coffers of the Alberta government to build the oil industry in Alberta.

Nova Scotians, New Brunswickers, P.E. Islanders and Newfoundlanders after their entry into Confederation did it with joy because we are one country. We believe in transfer payments. We believe in equalization payments and we are going to do it whether the hon. member likes it or not.

Supply

[*Translation*]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Madam Speaker, it is with great pleasure that I take part in the debate on regional development. I really appreciate today's motion by my friend and colleague from Kamouraska—Rivière-du-Loup. I must remind you that regional development is first and foremost a regional responsibility. In my riding of eastern Quebec, as elsewhere in Quebec and in Canada, people know their territory and its resources and how to develop them. Very often, they need only a little bit of money and the support of the local government.

However, yesterday, in preparation for this debate, my staff contacted various spokespersons in my riding. They all said the same thing: "The region has its resources and governments, rather than listening to us in order to help us develop them, do what they please and more often than not fight it out among themselves at our expense obviously". Other people have denounced the attitude of the federal government which not only encroaches on areas of provincial jurisdiction, but also often takes initiatives diametrically opposed to the will of the local and provincial governments.

However, with an unemployment rate of 27.3 per cent in the Gaspé Peninsula and of 17.6 per cent in the Lower St. Lawrence district, efficiency is now a must. In my riding, for example, we have ideas on how to create jobs by using our natural resources like the forest, agriculture or manufacturing resources. We have projects for processing plants, and so forth.

(1625)

Moreover, very often, the federal government has shown in the last few years its total lack of understanding of the regions' needs. On December 5, 1990, the president and CEO of the CBC, Gérard Veilleux, announced the closing of the CJBRT station in Rimouski, CBGAT in Matane, CBST in Sept-Îles, for a total of about 150 jobs in eastern Quebec and lost wages of almost two million. Not only did we see families leave the area and the regional economy lose these two million—and this is a very large sum for a region such as eastern Quebec—but our shopkeepers, our community lost at the same time a very important means of communication. Now, to hear about the eastern part of Quebec on CBC television broadcast from Quebec city, we must be on the lookout since it is often sandwiched between news concerning Quebec's mayor and his disputes with the mayor of Sainte-Foy on the program "Ce soir". Sometimes there is something about the eastern part of Quebec.

Let us not forget also the bad federal decisions made by the Trudeau government which seem to have benefited the Maritimes. There was a bad decision about Mirabel and another one, taken by the minister of the day, member for Matane, about the Maurice Lamontagne Institute, which was located in Sainte-Flavie when it should have been in Pointe-au-Père. An \$18 million wharf was constructed, but no ship ever drew alongside it since there is nothing to protect those that would. In the meantime, the wharf at Pointe-au-Père is rotted out but we do not have the million dollars needed to pull it down, even though it is a public hazard.

The CBC pulled \$46 million out of the regions when it closed 11 regional stations across Canada. I remind members that that restructuring cost quite a few million dollars, more exactly \$138.5 million, not to mention the fact that the CBC's deficit is far from under control.

Our regions remember this episode vividly, especially the fact that the first thought of the management of the CBC was to cut regional services. This set an example that was repeated many times over.

Another significant example of the lack of respect paid to regions was the closing of post offices. Imagine the contempt of Quebecers or rural Canadians whose post offices are being closed, despite their very important role in the community. The current government has indeed declared a moratorium on post office closures, but it has not committed itself to reopening the post offices which were closed by its predecessor, and people in my riding who were contacted by my office yesterday and who are working on this issue are not at all sure that the post offices will remain open once the moratorium is lifted. On the contrary, some have told us that Canada Post's current lobby would ultimately succeed.

VIA Rail is another example. The government boasts about its infrastructure program, but at the same time, it keeps dismantling other important infrastructures such as VIA Rail when we all know how railways, in regions like ours, do make a vital contribution to the Eastern Quebec economy.

Another example of this government's sensitivity is the National Film Board's decision to close its regional offices. The Carrousel du film, a major festival in the area of audio-visual production for children and the only one of its kind in America, has also been targeted for severe budget cuts. Telefilm, which must reduce its funding of various programs because of cuts imposed by the government, has decided to focus more on large festivals, or those held in big cities. The Carrousel du film, which is a regional festival, will therefore be subjected to cuts. This internationally recognized festival promotes productions for children, a key sector which meets the objectives of acquainting children with quality movies. But, here again, our unfeeling government did not hesitate to make cuts.

(1630)

Those are only a few examples of what the implementation of so-called national policies leads to. Such policies are dreamed up in a city by city-dwelling bureaucrats and civil servants who do not have the slightest idea of the concerns of people in remote areas.

Supply

The first consequence of the deplorable failure of federalism in the remote areas of Quebec is the exodus of adults and young people alike. If you refer to a publication of the Rimouski community health department, called *Optique Santé*, you will find some fascinating information. The 1991 census shows that the Quebec population has increased by 5.6 per cent, whereas the Lower St. Lawrence is losing its population and shows a net loss of 2.7 per cent.

This overall drop in the Lower St. Lawrence population is due to a negative balance of migration. Such emigration is one of the main causes of the aging of these communities since it is the most mobile inhabitants who leave, namely the young people and the adults. In short, the failure of the federal regional development policy has had a severe impact on the demographic decline of the Lower St. Lawrence. People in that area will speak loud and clear during the upcoming election and referendum.

This morning, our ability to read was questioned so, to conclude, I would like to quote from John Naisbitt's book entitled *Global Paradox*. According to the jacket blurb, he is supposed to be quite a genius.

[English]

"In the hallmark of genius is simplicity that Naisbitt has brilliantly presented a work which reasonably addresses the challenges of the future while providing the chart for successful navigation".

[Translation]

I will now quote the author.

[English]

The breakup of countries (artificially put together) into national or tribal entities is surely as beneficial as the breakup of companies. It eliminates duplication and waste, reduces bureaucracy and promotes motivation and accountability, and results in self-rule (subsidiary) at the most basic level—just like in companies.

[Translation]

This is what the Chilean Minister of Finance has to say about him:

[English]

"John Naisbitt's new book is visionary. His predictions will be, as they have been before, right on target".

[Translation]

Quebec's objective is quite laudable. English Canada has not yet understood that we have had enough of not having the necessary resources to fully develop our potential. So Atlantic Canada is a paradise on earth, let it keep on developing! So western Canada has all it needs for its development! Ontario,

where most of this government comes from, is still not understanding what is going on in the rest of Canada. But nothing will deter us from our one and only goal: Quebec sovereignty.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General): Madam Speaker, I found the speech of the hon. member for Rimouski—Témiscouata very interesting. However, she did not mention the private sector. She only mentioned the CBC, VIA Rail, the Film Festival, the NFB. She did not talk about private enterprises, but she mentioned one author, someone who argues that the state should be managed like a private company. We have seen the results with the Conservatives and some members of the Bloc. If she really wants to talk about job creation, she should give us some examples in the private sector.

I must also point out that the Federal Office of Regional Development is precisely located in the beautiful city of Rimouski. I believe that the hon. member will have the opportunity to talk with these people and to set up a real program of economic development instead of complaining to her colleagues, here in the House.

(1635)

Mrs. Tremblay: I met the director of the Federal Office of Regional Development in my riding. He told me that the cupboard was bare. I do not mind talking in this House, but when I am told that there are only \$2 million left for the Lower St. Lawrence, the Gaspé Peninsula and the Magdalen Islands, I say that the cupboard is bare.

We are told about the development of small and medium-sized enterprises, but I am still waiting for the list of those created since this government took office. There are no business opportunities to talk about in my riding. All I have, daily, are people joining the ranks of those on unemployment insurance or welfare. There are no businesses developing.

Of course, the restaurant La Cage aux sports will open on June 15, but I do not call that an extraordinary economic development of the Lower St. Lawrence and the Gaspé Peninsula. Sure, this will be on more establishment, but this will only divide the profits. There are plenty of restaurants in my riding, so the opening of this one will cause another to close or will divide the profits. People are moving out, because there are no jobs. We are waiting for jobs, Mr. Parliamentary Secretary.

The Acting Speaker (Mrs. Maheu): I would like to remind the hon. members that comments must also be addressed to the Chair.

As you only have about one minute left, I will give the floor to hon. member for Durham.

*Supply**[English]*

Mr. Alex Shepherd (Durham): Madam Speaker, I would like to ask a couple of questions of the hon. member.

First, she talked about post office closures. She and some other members talked today about the reductions in UI benefits and so forth as some kind of a failure of our federal system. At the same time she complained about the deficit. Her party complains about the deficit, that this is a tax on the backs of the people of Quebec.

I wonder how you can have it both ways. How can we try to control the deficit by some of these manoeuvres and at the same time be blamed for not dealing with the deficit problems. I find this a terrible inconsistency in their philosophy.

Second, I would like to pick up on one of their other members, the member for Abitibi, who talked about the empowerment of some of the local regional municipalities. Would she support a philosophy that paid regional transfer payments and rather than sending them to the province of Quebec actually sent them to the regional municipalities in Quebec.

The Acting Speaker (Mrs. Maheu): I am sorry to interrupt you. Your question should be directed to the previous speaker.

[Translation]

Mrs. Tremblay: Madam Speaker, the question takes me by surprise because my remarks had nothing to do with what the hon. member is talking about. There was no mention of deficit reduction in my remarks. This point has been made to another hon. member earlier, but as far as I am concerned, I never raised the issue.

Deficit reduction is the least of my worries. My main concern at this time is to ensure that people are afforded the dignity of getting up in the morning, facing themselves in the mirror and setting off to go to work, instead of getting depressed because they have nothing to eat or no job. What we need, Madam Speaker, is jobs. This government crows about jobs, but does not create any. It produces fine speeches, but no jobs. What I want is job creation.

Mr. Antoine Dubé (Lévis): Madam Speaker, as member representing Lévis and the Quebec region, I am pleased to participate in this special debate on regional development initiated by the Official Opposition.

I think it may be useful at this stage of the debate to read again the motion before us, which was put forward by the hon. member for Kamouraska—Rivière-du-Loup. It reads as follows:

That this House condemn the federal government's ineffective regional development interventions, which create overlappings and inconsistencies, resulting in an administrative chaos that hampers regional economic growth.

Madam Speaker, the members of the current federal government rack their brains only to recall the good shots of the previous Liberal government in terms of regional development.

(1640)

Some members like the hon. member for Broadview—Greenwood—he is from Ontario—even got the feeling that Quebec was living off the federal government, that it owed its very survival to the federal government's support. I could quote other comments, but my point is the following: if Quebec costs so much in terms of unemployment insurance, social assistance, regional assistance and so on, what is the point of insisting, as this government does, on Quebec remaining a part of this Confederation? One wonders.

Figures speak louder than feelings. Therefore, I would like to recall a few. Between 1989 and 1994, according to the figures from the Federal Office of Regional Development—Quebec, the Atlantic provinces received \$920 per person for regional development; Western Canada, \$240; and Quebec, \$230, which is less than Western Canada and much less than the Maritimes. The hon. member said that Quebec seemed to be the main beneficiary of regional development but, as we can see, Western Canada and the Maritimes received four times as much. Ontario receives \$30 per resident but—as everyone recognizes and I think Ontarians must recognize it, too—Ontario is the main beneficiary of the federalist system.

Why? First of all, the presence of the public service, as well as all the money spent on AECL, on the Toronto Airport, over the years. There is also the defence industry. While Quebec was getting subsidies for small business, for bicycles in the Beauce region, Ontario's auto industry was doing very well and the military tank industry, even better.

The hon. member for Bonaventure said something earlier about how impressive business subsidies are. I did some calculations and in the provincial riding of Lévis, which is split in two at the provincial level, in what is called the regional county municipality of Chutes-de-la-Chaudière, which is my local economic development corporation, they estimated the impact of federal funds on the economic development of this riding at less than 1 per cent. One per cent of the regional economy comes from the federal government. They then try to convince us that Quebec would not have been able to develop its regions without the federal government's help. This disproportion is unacceptable.

Beyond figures—we could argue over figures for a long time—what is Quebec organizations' main complaint against the federal government's actions? I am not talking about the Bloc Québécois but about the claims made by organizations in books and forums. They say that, basically, the main shortcoming of the federal government is that it does not hold enough consultations with the regional organizations already in place. Federal departments do not even hold enough consultations among themselves before taking action, so that most of the time the action only involves one sector.

I will give you an example. In the rail industry, they say it is expensive to maintain CN services but they do not consider the impact this will have on Quebec roads.

Supply

(1645)

Let me give you an example. At certain times, a passenger train represents the equivalent of 17,000 automobiles on the road. These are the figures of the Quebec Department of Transport. When the idea is entertained of abandoning certain lines such as the Murray Bay line in the Charlevoix region and a number of other lines leading to the Beauce region, no consideration is given to the impact this could have on road infrastructures. This is what I mean by short-sighted sectoral intervention.

Another problem is maps. Federal government department maps do not jibe with one another, or for that matter, with provincial or regional municipality maps.

Apparently that is the case. Another area which we hear a great deal about but about which little is written is the Youth Service Corps. The member for Bonaventure has given me a striking illustration of the problem. While in Winnipeg, the minister announced the creation of four pilot projects, each with a budget of \$100,000. However, one of the four projects was given a budget of \$600,000. In which riding did this pilot project happen to be? Surprise, the member for Bonaventure's riding. That is what was announced in the minister's press release issued in Winnipeg. Check it out for yourselves.

Moving on, I would like to speak a little about the Quebec City area which, on a provincial level, is divided into two major regions, the combined population of which exceeds 900,000. Until now, the tertiary sector has been front and centre.

Allow me to quickly mention one case, that of MIL Davie. Here is an extraordinary opportunity for the federal government to intervene in the field of regional development. Before the Liberal Party came to power, this sector represented \$150 million in wages. It also represented \$600 million in economic spin-offs for the Quebec City area. The region has been waiting for six months for a decision on the awarding of transitional contracts for the Magdalen Islands ferry and for the smart ship.

Another important issue, apart from rail transportation which I have already mentioned, is the Quebec City airport. We have been waiting for years for action in this area. When the Conservatives were in office, they had a small sign erected proclaiming this facility to be Jean Lesage International Airport. However, the only thing that is international about this bush-league airport is the wording on its sign.

As for the municipal convention centre, the project got going only very recently. It took years! The communications problem raised by the hon. member for Rimouski also affects us, because the resources we had before which were exclusive to the Quebec City area must now be shared with the regions in eastern Quebec and the North Shore.

There is also the problem of the Port of Quebec. It is experiencing a tremendous decline. Why? Because goods are now shipped west, and their transportation is subsidized. Just reread the agreement on Crow's Nest subsidies. Yes, I know that was when the Conservatives were in power, but it still goes on.

There are the ports of refuge. The same thing goes in Saint-Jean-Port-Joli and in Portneuf: the federal government does not even maintain its own equipment and it has become dangerous to go near it.

I would like to conclude by saying that the urban region of Quebec City has not done too badly, in the end, but the problem we see in the outlying regions of Bellechasse, Portneuf and Charlevoix is the same as in the Lower St. Lawrence and the Gaspé Peninsula. But there are also large areas of poverty even in downtown Quebec, to which I think the Liberal government has so far shown great indifference.

[English]

The Acting Speaker (Mrs. Maheu): It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Brome—Missisquoi—Association Canadienne—Française de l'Ontario.

Mr. Morris Bodnar (Saskatoon—Dundurn): Madam Speaker, I will be sharing my time with the member for Bonaventure—Îles-de-la-Madeleine.

I would like to start by pointing out the blatant contradiction in the position of the Official Opposition. On the one hand the Bloc argues that federal intervention is ineffective for Quebec's economic development. On the other hand it criticizes the federal government for cutting back on the budgets of the regional agencies. It cannot continue to have it both ways. Liberals believe that federal programs from unemployment insurance, to health care, to community development, to education, to regional development can and do assist each and every region in Canada to grow and prosper.

(1650)

From the perspective of western Canada it can be said that the concept of a regional economic development agency based to promote western interests is crucial in terms of diversifying the

economic base of western Canada in creating jobs, increasing our international trade and in obtaining a greater share of federal contracts.

Many people in western Canada have come to identify western diversification as the voice of the west in Ottawa, a department which has done a great deal to ensure that western Canada's interests are always taken into account in the national decision making process.

Western diversification assists western businesses to get equal access to major government contracts not by interfering in the process but by ensuring that there is fairness and equity involved in the awards, that the contracts go to the businesses with the best technology and the best people capable of providing a quality product.

I am sure members will all agree many of those high quality companies and people are based in the west, making a major contribution to the economic strength, not just of western Canada, but of the nation as a whole.

The western share of industrial and regional benefits from major federal procurement contracts has risen from just over 7 per cent in 1988 to just about 35 per cent today, representing some \$1.7 billion.

I would also like to commend the Minister of Western Economic Diversification for the work he has done in bringing the western provinces together to the table to look at pan western initiatives which will prove of enormous benefit to the economy of the region and the nation as well. He has taken the lead in saying to the provinces that we should work together in the spirit of co-operation because the government recognizes that co-operation at all levels of government is essential to achieving and maintaining a strong economy not subject to the ebb and flow of international commodity prices, but one which is developed from the strength of the region's people, its skills, and its natural resources.

This kind of co-operation between governments does not create overlap but rather enables all levels to maximize the return on their investment of taxpayers' dollars.

As the member for Saskatoon—Dundurn I know first hand of the importance of diversifying the economic base of Saskatchewan. Biotechnology is now a flourishing industry in Saskatoon thanks in part to the assistance given by western diversification, the NRC and other federal programs that appreciate that Saskatoon has the necessary human skills as anywhere else in Canada. We are building a niche in agricultural biotechnology that is unsurpassed but it is only possible because of the partnerships that are being facilitated by the federal government.

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Western diversification is also working closely with business, labour, educational and other institutions for the betterment of the economic well-being of western Canada and the nation as a whole. If western Canada is strong all of Canada benefits and the same holds true for Quebec, Ontario and the Atlantic.

Repayable assistance for small and medium sized businesses by western diversification has helped more than 4,000 projects get off the ground and has created or maintained over 40,000 jobs.

I know that my colleagues from the Reform Party would rather wipe out this kind of assistance but as my government colleagues have already pointed out with many compelling examples from across the country, by helping some of those innovative entrepreneurs get their foot through the door opportunities that otherwise would be lost are instead being created.

Although working with business in this regard is still a major role I believe the department's advocacy role and its increasingly close ties with the provinces and municipalities are both key to the future strength of western Canada.

(1655)

Our infrastructure program is a compelling example of the importance of such partnerships. Strategic initiatives such as information networks which ensure economic and business information are shared across the west. Other initiatives such as an agri-food initiative which will increase the export of value added food products and benefit farmers and food producers across western Canada and the rest of the nation can only be regarded as positive and proof indeed that western diversification is not only working as a concept but is making a very real, very positive contribution to the nation's economic strength.

The motion calls on the House to condemn ineffective regional development interventions. This Liberal government is working actively to improve and strengthen regional development initiatives across Canada. Indeed we were elected on our policies which include the following commitment in our red book:

We see strong regional economies as the building blocks of Canada. One of the most important ways of making this happen is to develop forums for economic co-operation, joint action and integrated development at the regional level.

This is the approach that we are embracing and promoting. I do not support the opposition motion, as I believe that our federal interventions in regional development are essential to strengthening the social and economic fabric of Canada today and in the future.

Mr. Leon E. Benoit (Vegreville): Madam Speaker, the hon. member who just presented gave a quote from the red book. I would like to give a quote from the red book that I gave earlier:

A reliance on "granterpreneurship", as opposed to entrepreneurship, has fostered artificial local competition and created distortions in local markets.

Supply

That is a quote from the Liberal red book and that is the part of the quote that you left out from the quote that you just presented to us. I think the hon. member maybe should consider that in his comments.

The Acting Speaker (Mrs. Maheu): I would ask the hon. member to address his comments to the Chair.

Mr. Benoit: Madam Speaker, I would like to ask some questions about western diversification.

The hon. member has mentioned some success stories, at least in his mind they are success stories, and I would like to ask about some other people, for example the local owner of a sausage plant in my constituency who has been competing and been struggling but he is making a go of it. This family business as a sausage plant has had to compete with a sausage plant down the road that has received western diversification money. This is unfair competition with his tax dollars that he has paid to the government to help support the competition.

I would like to ask the hon. member if he feels that is fair.

What about the two local businesses, the largest businesses in our neighbouring town, that are funded through western diversification, both now out of business and have left the town grasping for something to replace them and it is not there.

What about the swather manufacturing business in Saskatchewan, a very successful business, which was forced to compete against a swather manufacturing plant funded with western diversification money. The result was they both went out of business because of this unfair competition.

I would like to ask the hon. member what about those businesses and what about Albertans who have paid \$100 billion to \$165 billion more in tax dollars through the national energy program and through transfer payments to the federal government than they received over the past 25 years. Is it fair to those Alberta taxpayers to be funding these programs in other provinces?

Mr. Bodnar: Madam Speaker, we have reference to the red book again. I am very pleased that the members of the Reform Party are making such good use of the red book since I trust that it will go down in history as one of the finest productions that made in the political history of this country. It is nice to hear that they continue to refer to it. I am pleased they have referred to it.

(1700)

When we make reference to the red book we see the new direction the hon. minister in charge of that department wants to take western diversification. The direction is not one of giving away money to businesses but one of helping businesses identify export markets, helping businesses arrange the financing, not giving them financing, and helping businesses compete on the international market.

In my province in western Canada we see industries are expanding and increasing their exports into countries like the United States in the areas of farm machinery in particular and of meat products. These are being expanded and we cannot ignore such businesses.

This will continue because our government intends to help business increase exports, not compete against each other unfairly in our country but compete on the international market.

[Translation]

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General): Madam Speaker, like many Quebecers, I certainly do not agree with the motion as it is tabled by the opposition.

It is interesting that, just last week, the United Nations told the whole world that Canada is the number one country in terms of its quality of life.

For that reason, I find it curious that some, particularly opposition members, say that every measure taken by the government of Canada has been a failure. Let me tell you this: Since 1974, the Federal Office of Regional Development has invested over \$1.6 billion. All kinds of agreements were concluded, including on tourism, forestry, fisheries and job stimulation. Over the last few months, there has even been talk of a dynamic federalism, because we rely a lot on measures taken in the past.

Madam Speaker, I must also tell you that over 80 per cent of the money invested in Quebec was transferred to that province through administrative agreements. We are there to stimulate the industry as a whole. We are there to help small businesses.

We did not waste any time since we took office. We launched the infrastructure program. We have allocated over \$60 million through partnership projects with the province and the municipalities. This program was initially endorsed by the mayors of Quebec city and Montreal, and surely by several dozens if not hundreds more throughout the province.

There is a lot to do. All Canadians must make sacrifices, as well as the province and the municipalities, but we are there to stimulate employment.

As regards the environment, the hon. member for Malpeque and myself did not wait. We looked after the *Irving Whale* issue. There are members who take environmental issues seriously. The members opposite must know that the federal government has just announced a \$100 million project for the St. Lawrence River, with a contribution of \$60 million from the province of Quebec. This is a serious government which is concerned first by the employment situation, but also by the environment issue.

We can also talk about the Cod-Fisher Assistance Program. It is true that cod-fishers, not only in Quebec, but throughout Atlantic Canada, are going through a rough time. We have invested \$1.9 billion, including \$100 million in Quebec.

(1705)

The weekly benefits these people receive have gone from \$171 to \$219. We are ready to invest significant amounts of money in the Gaspé Peninsula for job creation and economic recovery, by urging people to open small businesses, to take up aquaculture, to participate in some programs and to develop their entrepreneurial spirit. That is the role of the federal government, the role of the Government of Canada.

We can also talk about the Federal Office of Regional Development. The hon. member for Rimouski—Témiscouata said: “The federal did not invest in anything. I am looking, but I cannot see where it invested”. I want to point out to her that there is a Federal Office of Regional Development in Rimouski. As a resident of the Gaspé area, I can tell you that Rimouski has received more than its share, compared to other regions in Eastern Quebec. The time has come to do something about this.

You know, we have invested in more than 1,000 small businesses in Eastern Quebec. Of course, we have invested in corporations which have become, with the help of the Government of Canada, multinational companies, like Canadair and de Havilland, and also Bombardier, a world-renowned Quebec company. We have invested in Noranda and in the mining industry.

The Government of Canada takes its responsibilities seriously. I can give you some more examples. I see here that the Corporation of the mining community of Bourlamaque, in Val-d'Or, has recently received \$3 million in subsidies. Spielo, in Sainte-Anne-des-Monts, got \$1 million, which is not an insignificant investment for a region hard hit by unemployment.

And this one is my favourite. You know that we firmly believe in education. Incidentally, I went in the beautiful constituency of Rimouski to hand out federal scholarships to young and promising students, to future leaders of Canadian society. I can tell you that we want our young to achieve excellence. At the Université du Québec, we invested more than \$9 million in the Engineering Department building, because we believe in the scientific sector in Eastern Quebec. Sure, people will tell me that education comes under the provincial jurisdiction.

Here is a question for you, Madam Speaker: Why is it that several school boards in Quebec have a drop-out rate of 35 to 40 per cent? We know very well why. The answer is easy. Because it comes under provincial jurisdiction. But why has the province, which has had jurisdiction over education since 1867, been unable to correct this situation? And we know that 95 per cent of young people complete their studies in Korea, and 90 per cent in Japan. It is often said that students in some developing countries

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have a better completion rate than Quebec students. The Quebec government and the Opposition members should take their responsibilities.

By the way, the policy of the Bloc is obviously suicidal for Quebec. It does not address the real issues for Quebecers, that is job creation and protection. But I do not want to conclude with this. I want to tell you about the Town Corporation of Rivière-du-Loup, which received \$1.3 million; the Forestville sawmill, \$4.75 million. And that is not all.

I told you about the dryers in my beautiful constituency of Bonaventure—Îles-de-la-Madeleine, and we invested more than \$4 million in the Outaouais region. In Forestville, there is a \$1.1 million project funded by the federal government; and the Tadoussac Town Corporation got almost \$775,000.

Maybe I should say a few words about the riding of Bonaventure. We invested over \$300,000 last winter in surface grinders to help tourism. We invested \$50,000 in studies for the museums. We invested \$120,000 in the Youth Service Corps. We have already invested a lot of money, even though we have been in office for only six months, and we are about to invest several million more. We have a business plan and we are very serious about our job.

(1710)

We have acted instead of preaching about sovereignty, independence and separation, about destroying the best country in the world, about getting a divorce—that was the word used by the hon. member for Rimouski—Témiscouata who, by the way, did not propose anything. It is easy to criticize. Admittedly, Canada may not be easy to govern, but it is a generous country. It is recognized internationally.

The Leader of the Opposition even went to see the Europeans and the Americans to ask them if they would recognize Quebec as a sovereign state. Essentially, they said: “We recognize Canada as a country”.

In the business world, in the private sector, in real life, it is important to know with whom you are dealing. Canada has been known as a country for 125 years. It is a welcoming country, a country which sacrificed many of its sons and daughters in the First and Second World Wars. Canada has a very good credit rating. But some people do not realize that we have a lot of work to do and that we must do it together. They do not realize that those who would suffer the most as a result of the divorce proposed by the opposition would be the workers of Quebec. Everybody knows that. Ridiculous numbers are often thrown at us. Some people do not understand that we have an obligation towards all Quebecers and all Canadians. We have to take care of their future, but it is not by talking about separation and about

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destroying this country as we know it that we will give a better life to Canadians, especially to Quebecers.

We know that only 5 per cent of Quebecers, opposition members included, believe that independence is the most pressing issue. I see that my time is running out, but we have many questions to solve and I think that we are going to solve them together. We are going to solve them among Canadians. But I find it totally unacceptable for the opposition to laugh at us when we say that we want to put Canadians back to work, particularly Quebecers, but they offer no alternative but sovereignty and wishful thinking.

I urge opposition members to look around them and maybe to co-operate with us in the search for solutions—which will certainly not include sovereignty—to put Quebecers back to work.

Mr. René Laurin (Joliette): Madam Speaker, I would like to go back to a few points mentioned by the hon. member for Bonaventure—Îles-de-la-Madeleine when he vaunted the Liberals' regional development programs. First, with regard to education programs in Quebec, he said he was concerned about the drop-out rate in Quebec. But he never said we were losing between \$250 and \$300 million a year in occupational training, money which should be spent in Quebec to help solve the problems caused by dropping out. Education budgets have been cut for nearly ten years in Quebec and, again, it is a Liberal government which, for the last eight years, has reduced grants to school boards and continually asked them to do more.

Neither does the member mention duplication in regional development, where federal programs overlap with provincial programs, and sometimes all this is done without considering evaluation programs. They do not want to know what the results will be. All they want is to throw some money in order to convince Quebecers that the federal government is the best. They are not interested to know if the programs will help create jobs, all they want is to spend money to impress people.

Where was the member for Bonaventure—Îles-de-la-Madeleine last week when we spoke of putting the regional infrastructure in place for building a high-speed rail line? Not a single Liberal member from Quebec rose in this House to support this bill, which could create 120,000 jobs. This is a real regional development project, it is not an infrastructure project creating only short-term jobs. But the member for Bonaventure—Îles-de-la-Madeleine was not here to support it.

When one speaks of measures, one must be sincere and follow one's principles and thinking through to their conclusion!

Mr. Gagnon: Madam Speaker, members opposite speak about vocational training. In 1975 and 1970, more than 20 years ago, we had five or six vocational training programs at the high school in Bonaventure. Today, there are only a couple left.

(1715)

Quebec withdrew from its commitment to vocational training. That should not be blamed on the Canadian government. A question was asked about the \$250 or \$300 million funding. This is a matter of harmonization, and of reaching an administrative agreement with Quebec. Negotiations are under way and I can tell you we are making good progress.

They talk about the high-speed train between Quebec City and Windsor. What would happen if Quebec became independent? Are we going to set up a border? Probably. You think everything will be easy, but there are hard and cold facts. Liberals want to concentrate on job creation and economic renewal. Quite honestly, sovereignty does not solve any of our real day-to-day problems.

Mr. André Caron (Jonquière): Madam Speaker, it is a pleasure to speak to the motion of my colleague from Kamouraska—Rivière-du-Loup. It is the first time since I have been in the House of Commons that we talk about regional development. The motion moved by a member from the Bloc aims at making the public aware of the sad situation that exists in the regions of Canada, and particularly of Quebec.

The motion says: "That this House condemn the federal government's ineffective regional development interventions". Today, I heard our Liberal friends speak highly of Canadian federalism. I heard them speak about grants, about money given everywhere in Quebec and in Canada. According to them, that is a godsend for the good people and everyone should be happy and say "thank you, my good government". But if we look at what is presently going on in Quebec, particularly in the regions, what do we see? We see unemployment, regions that are stagnant, populations that are not growing and, most of all, we also see, and that is dramatic, young people who are leaving their region.

I look at my region of Saguenay—Lac-Saint-Jean, and particularly my town. Ten years ago, in Jonquière, there were 62,000 inhabitants; now, there are perhaps 58,000. What happened? The young people do not like their region any more? That is not the case. What happened is that people have to leave their region in order to survive. There are regions in Quebec that have almost become under-developed countries. Why are people leaving their region to go elsewhere? It is because they want to eat. And that is what are presently doing many Quebecers who are leaving their region to go to Quebec City or Montreal because they are hungry, they are hungry for work and for opportunities.

Let us look at our regions. What happened? Is it because people who work there are inefficient? There is a considerable number of development programs both at the federal and provincial levels. Some people work on the development of those programs as administrators or regional sponsors. Those people act as volunteers and give their time and their energy

because they are committed to the development of their region. There are also federal and provincial civil servants working.

Since my election I have been in contact every day with a lot of federal civil servants. I know they are competent and committed to their work but if we look at the results we can see that nothing works well because of the endemic unemployment in the regions. In my own area of Chicoutimi—Jonquière, the unemployment rate is about 17 per cent, or 15 per cent in the greater area. There must be something going wrong. I cannot see what our Liberal friends have to brag about or congratulate themselves for. They should meet the unemployed and the students who cannot find work and tell them that everything is going well; and we will see what answer they get.

Let me give you two examples of the inefficiency of regional development in my region. I blame that situation on the inefficiency of Canadian federalism. In my own region, an incredible story has been going on for about fifteen years and it is about the famous Alma—La Baie Highway.

(1720)

This is a highway which was to link the towns of Alma and La Baie. There was a federal—provincial agreement for the construction of this highway. The federal agreed, the provincial agreed, the municipalities agreed, everybody agreed, but there is still no highway. Every two, three, four or five years we add three or five kilometres. When we want to go ahead there is always someone to object.

At times it is the provincial government which objects, other times the federal government which asks for delays. There is conflict, and discussion, but no construction.

This is an example of a non—functioning federal—provincial agreement endorsed in good faith by local governments which did not realize that there was a fundamental flaw: there were two decision—makers. When important decisions can come from two different places, very often none are made.

This is an example that shows that Canadian federalism does not work in the area of regional development. A divided highway is essential for a region, but we still do not have one because Canadian institutions are flawed.

Let us take another current example. There is a passenger train service between Jonquière and Montreal which is managed by VIA Rail. Some people in Canada say that rail service is not cost—effective. They say that some lines make no profits, and that cuts are needed. But where should we cut? Of course they are going to make cuts in the means of transportation between the large centres and the remote areas. They want to eliminate one mode of transportation which is important for my area, in several respects.

Supply

First of all, it is important because an area like mine, which is quite remote, needs a variety of means of transportation for its development and to be connected to larger centres. We have the Laurentian Highway, which is not yet a divided highway, in spite of several projects which might come to fruition some day, for our grand—children to see. We have a deep water port and we have the railroad.

An essential and fundamental aspect of rail transportation is that it carries passengers. The Jonquière—Montreal train is a very well kept secret. There is no publicity. People think it does not exist any longer. They believe it is gone for good. So, nobody takes the train, and since nobody takes the train, it becomes easier to eliminate it.

A rumour is circulating to the effect that the railroad is going to be closed. It may be more than just a rumour. I can tell you that people in my area do not agree. The CRDE, municipal councils from Jonquière to Montreal, people in Joliette, in Shawinigan, the Prime Minister's own town, have been sending petitions asking that the train be kept running. What has the federal government done? It does not have a regional development policy and it does not see how important and fundamental this train is.

It will be even more important in the future. Right now, road transportation is in. Trucks carry very heavy loads through the Parc des Laurentides and ruin the road. It would be better done by train. If the railroad is used less, and if there is no passenger service any longer on that line, what are the great planners in Ottawa going to say? Your train is not being used. Let us also eliminate rail transportation of goods, remove the tracks, and build bicycle paths instead. Where we come from, bicycle paths are the major projects.

In the Saguenay—Lac—Saint—Jean area, the biggest development project is the construction of a bicycle path around the lake. We support the bicycle path, it is important, but when in a area, the major project, the highest priority, is to build a bicycle path, it means that something is wrong with regional development policies. We are going to have to solve the problem. How are we going to do it?

The Bloc Québécois has a solution. We will not talk about sprinkling grants around, but we will say that someone in the regions must be responsible for regional development. Who should that be? We believe that it should be the government closest to the people. And who might that be? The answer is the Quebec government and regional governments.

As part of the Bloc's sovereignty program, every possible decision—making mechanism would be handed back to Quebec. This is what a sovereign Quebec would do and this is how

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regions would be treated. We want them to have decision-making and spending powers.

(1725)

We have devoted this entire day to focusing on regional development with the intent of getting this message across to the House of Commons and to our regions. Our regions want to survive and to have effective policies. They want a future in which they can flourish and continue to build on past accomplishments. With the good will, ability and talents of the regions, I am confident that a sovereign Quebec will flourish and I am especially confident that this day will come very soon.

Mr. Pierre Brien (Témiscamingue): Madam Speaker, before putting a question to my colleague, I must comment the remarks made earlier by the hon. member for Bonaventure—Îles-de-la-Madeleine.

Modest as usual, he sang the praises of the federal government and the Federal Office of Regional Development and their past achievements. He also referred to a United Nations report according to which Canada was number one in terms of quality of life.

I would just like to make one thing clear. This report was based on 1992 data. If my memory serves me right, the Conservatives were in power in 1992. All of a sudden, the very people who criticized the Conservatives for all their political and economic actions are—or so it seems—singing their praises, telling us they have given this country the best quality of life in the world, after saying just the opposite during the election campaign.

These reports and their basis could all be challenged. You probably remember this report on poverty that said: “Canada may be the industrialized country with the highest poverty rate, but to reduce that rate, all you have to do is lower the poverty line”. We could go on about this at length. The hon. member also mentioned a grant to the University of Rimouski. Again, I will point out to him that this grant was made by a Conservative, namely Mrs. Vézina—

The Acting Speaker (Mrs. Mahau): I am sorry to interrupt the hon. member, but his comments must be addressed to the Chair.

Mr. Brien: Very well, Madam Speaker. When I heard my colleague talk about train service, it reminded me of what the hon. member for Bonaventure—Îles-de-la-Madeleine had said. My question is twofold.

The first part refers to what was said earlier. My colleague mentioned train service. The word is that there is talk across the way about a high speed train to develop both regions, Toronto proper and the metropolitan area. This train would apparently have to stop at certain borders.

I would like my hon. colleague to comment on that, because as far as I know, planes do not stop in mid-air when travelling from one country to another to have all passengers passports checked. I think there is a serious problem there.

I would also like him to tell us about independent workers. He never said anything about it, but there were designated areas in which assistance was provided to unemployed workers who wanted to start up a business. But this year, all designated areas will receive almost no money at all. I would like to know what my hon. colleague has to say about that.

Mr. Caron: Mr. Speaker, with respect to the high-speed train, I must point out that such a train will link France and England. I do not think it will stop in the middle of the Chunnel for a passport check.

Assistance to independent workers has been cut. I think it is unfortunate because this program was very beneficial to some workers. I could add that, a month ago, my city of Jonquière became a designated area under the independent workers assistance program. We can say it is great and congratulate one another, and I think all the local people were glad, except that we and Sherbrooke have one of the highest unemployment rates in Quebec.

We had large paper mills. We had the Alcan plants. We were clearly well off economically and, 10 or 15 years later, we have become a designated area and we are forced to accept with pleasure for the time being but after we take control of our own destiny, we will certainly do what is needed to escape the poverty the federal system has plunged us into.

(1730)

However, for now, we must say that we are very glad to have a good program, as my colleague from Bonaventure was saying earlier, except that there is a 27 per cent unemployment rate in his riding, so I hope he will tell his unemployed constituents that there is a new dryer and that a subsidy has been granted to Rimouski. Everyone must be happy, the subsidy machine has come through.

The people of the Gaspé and the Lower St. Lawrence have been subjected to planning experiments for many years and have benefited from federal programs which were scrutinized by everyone but, after 20 years of work and of federal and Liberal subsidies, they still end up with a 27 per cent unemployment rate.

So there is nothing new under the sun. They boast about federalism and theorize but when we go see the people on unemployment or on welfare—go ahead and laugh but these people may be at home watching us and shaking their heads.

They say it is very nice. There is a nice post office with a nice red flag in my village but I am afraid that—

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The Acting Speaker (Mrs. Maheu): It being 5.30 p.m., it is my duty to inform the House that, pursuant to Standing Order 81(19), proceedings on the motion have expired.

The House will now proceed to the consideration of Private Members' Business, as indicated on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[*Translation*]

GOVERNMENT CONTRACTS

Mrs. Monique Guay (Laurentides) moved:

That, in the opinion of this House, the government should systematically table, every month, all contracts awarded by departments and by the agencies that report to them, with any related information, in order to (a) keep the taxpayer appropriately informed, (b) stimulate competitiveness, and (c) ensure that government decisions are open and transparent.

She said: Madam Speaker, I am very proud to submit this motion to my colleagues because it concerns a basic right in our society, the right to information. In this case, the information sought from the government concerns all contracts it concludes with the private sector.

The reason I am presenting such a motion is that since I was elected to Parliament, I have found it very difficult and time-consuming to obtain information on all kinds of contracts awarded by the federal government.

If we as members of Parliament can only obtain this type of information with great difficulty, I really wonder how an ordinary citizen goes about obtaining it. I see this as an inappropriate barrier to information.

Indeed, in a democracy, how can one hold back and not make freely available information related to contracts that are fully paid by taxpayers? How can one tell taxpayers that they cannot know what goods and services the government buys with their money?

I think this is undemocratic and violates our great principles about the right to information. I would like to make an aside here about our rights as elected officials in this House, more specifically on one way we have to obtain information, namely a question on the Order Paper.

On February 18, I asked the Minister of Public Works and Government Services to give us complete information on all contracts awarded by his department for the period from December 1, 1992 to December 1, 1993 and from December 2, 1993 to February 18, 1994.

As usual, the minister has 45 days to answer this question. Yesterday, after waiting more than three months, the minister answered this important question. What a surprise! Three little

pages of statistics that were already known. However, at one point, the minister telephoned me to say that the answer to this question would require tabling a huge pile of documents, a sea of boxes full of papers. Yesterday I got his answer in three pages! The minister must be a magician. He transformed dozens of boxes into three little pages. What a feat he accomplished.

(1735)

A letter accompanying these three pages says: "This document is only a summary of the contracts awarded by the former Department of Supply and Services during the five-year period which ended on February 28, 1994. It is only reliable to show the number of contracts awarded, negotiated and signed during a given fiscal year".

The letter goes on to say: "The statistics in this report cannot be used to determine the impact of these contracts on Canadian economic activity".

The minister can keep his useless document. The minister is laughing at taxpayers. He does not give a damn about those who pay for all these contracts. He hides behind unjustified reasons to scorn the taxpayers' right to be informed. The minister is afraid. He is scared to get caught with his pants down. He does not want to provide all the information on contracts awarded because he may have something to hide. Is this why the Liberal government and its minister are so reluctant to provide information? The minister's answer is inadequate and totally unacceptable. His answer to a question on the Order Paper raises doubt in our minds and in the minds of Canadians. It is a legitimate doubt based on the popular belief that government contracts are a form of patronage, and on concrete examples of blatant suspicious dealings which make you sick.

The Conservatives were very good at this. They are not here any more, because the people woke up and told the Tories to stop undermining the voters and supporting the friends of the Conservative Party. Voters send a very clear message that remains the same for the Liberal government. Taxpayers expect openness and honesty from their government and, to date, the Grits have followed in the path of the Tories.

All the rhetoric and the promises of openness by the Liberals were only idle talk, shameful promises that do not meet the expectations of the people.

If members opposite do not agree with me, they should prove me wrong. I challenge them to urge the minister of Public Works and Government Services to answer truthfully and openly to question Q-16 on the Order Paper. I do not think they will be willing to meet this challenge. You are all proud of your policies, but when the time comes to support intelligent and reasonable demands, you all turn up as mild as a lamb, following the orders of the ministers. I am sure that makes you uneasy at times. I am sure that, in your ridings, you feel like bowing your

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heads in front of some of your voters who are unhappy with the policies your party has laid down.

Go ahead, ask the minister to table all these contracts and the relevant information. Prove us wrong! Prove to the population that these contracts were awarded according to the rules and from a completely impartial standpoint!

That is a lot to ask. It is especially hard to shed some light on contracts that are potentially embarrassing.

The government is also aware of all the pressure coming from lobbyists, from its friends and from people who make contributions to its war chest. Does the government have anything to hide from the public? Are so-called goodies an obstacle to the disclosure of information on government contracts? Are we still stuck with the old-style system of awarding contracts, where transparency and openness were ignored to serve the interests of certain people?

Members opposite are saying: no, no, no. The Liberal government is not like that or, at least, not any more. All right, I believe you. The public believes you. But give us proof and release the supporting documentation.

Question Q-16 on the Order Paper is no small matter. I would rather not have to go through the whole procedure again, which does not work anyway in this case because the minister can use his magic wand to make any changes he wants.

The motion before the House today is a proposal to set up an information system. We want the government and its agencies to table regularly all the contracts they award, and to do so on a monthly basis.

(1740)

The Liberals will say this is impossible, the job is too big and too complex and the cost of the operation exorbitant. Come on! What about the electronic highway and sophisticated computer programs? The government spends a fortune on top-of-the-line equipment, so let us use it.

Tabling these contracts on a monthly basis will make it much easier for taxpayers to get the facts and find out which companies are getting their tax money. However, the system must be clear and accurate. We do not want a pile of documents dumped every month. We want information presented in an orderly manner, neatly classified to make it easy to consult but also presented in such a way that we can analyse how the government spends taxpayers' money.

The Minister of Public Works and Government Services alone is responsible for awarding 175,000 contracts annually. Last year, the department acquired \$13 billion worth of goods and services under 17,000 general categories. It made purchases on behalf of 158 federal departments and agencies. This is the

largest share the government purchases. In addition, there are purchases made directly by the departments and agencies themselves.

I would like to know who benefits from all those billions of dollars. Taxpayers have a right to know which companies do business with the government. That is a basic right. The federal government also has a duty to abide by its great principle of equity, a principle the Liberals like to flaunt in this House: regional development, equalization, redistribution of wealth, fiscal fairness. The Liberals keep repeating the same old story every day. Tabling government contracts would give us relevant information on the government's effectiveness in its Robin Hood role.

According to an article that appeared in *Le Droit* on May 16, Robin Hood does not necessarily do a good job in the case of federal contracts. According to the article, Ottawa-Carleton gets 99 per cent of \$2.5 billion worth of federal contracts, while the Outaouais region gets the rest, a meagre 1 per cent. In the National Capital region, 25,000 contracts are awarded annually, and only 250 of those 25,000 are awarded to companies on the other side of the river.

In view of these figures, one is entitled to ask the following question: On one hand, is this problem of concentration happening in other areas in Canada, and on the other hand, is the government trying to dilute, so to speak, this extraordinary concentration? The tabling of all the contracts, every month, would answer our first question. The conclusions would be easy to reach. Well organized information would rapidly show whether there are other areas like Ottawa-Carleton which are reaping the federal manna.

The second question deals directly with the government's will to allocate all its contracts, in a fair and just manner and, in so doing, spreading around all this federal manna which always benefits the same lucky few, in the same area.

Does the federal government make it possible for every contractor to have access to its contracts? Better yet, should it not favour contractors in other areas, even in remote areas? Contractors outside of the larger centres would create jobs and stimulate the regional economy. Of course, goods and services might cost a little more, but in the end, it would have a positive impact on the economy as a whole and on these areas which have been hard-hit by unemployment.

In reality, the truth is very different. Moreover, instead of opening up the whole process, and favouring remote areas, it would appear that the federal government itself is creating obstacles for contractors. One of them is language. Since my election, I have met several contractors who have been complaining, or at least, wondering about their chances to get a contract when they answer in French a call for tender in English.

I draw the attention of the House to the fact that, in his 1992 report, the Auditor General states that 80 per cent of specifications sent to Quebec contractors are written in English. O Canada! Bilingual? Not when it comes to contract specifications or calls for tender, which only appear in French as summaries. Such a situation is unacceptable and contrary to our language legislation.

(1745)

I wonder about the treatment that the supply service of a department would give to a tender entirely in French from a Quebec company. Would it receive the attention it deserves? Some French-speaking contractors told me they had doubts about that.

This motion, if it is received by the government, will shed light on all these questions pertaining to contracts. We believe that it is high time that the government comes clean in this area, and our demand is backed by the people.

The motion has another objective, and it is to promote competition. Disclosure would certainly pique the interest of a great many companies. They would then seek to offer their products or even to diversify in order to produce the goods required by the government.

It is not everybody who knows that the government buys flour or soybean oil for CIDA, and that it rents aircrafts or buys textiles for National Defence. Disclosure would draw attention to the opportunities offered. With more people interested in tendering, we can expect lower prices and therefore savings for taxpayers. In my opinion, these savings should be reinjected into the system in order to support the companies based in the regions. With a real development policy for local companies, specific measures could guarantee a fair redistribution of the savings. In the long run, such measures would be economically worthwhile.

I am fully aware that, unfortunately, this motion depends entirely on the government's will. I am sure the Liberals, the Minister of Public Works and Government Services being the first, will refuse to even consider my request. It is easier to evade one's responsibilities using false pretences than it is to fulfil the legitimate expectations of the population.

I urge them to seriously think about the ultimate purpose of this motion, that is the right to information. Nobody in this House can object to such a fundamental right. Refusal by the Liberal government to systematically table every month the information required to keep the taxpayers appropriately informed of the spending of their tax money would be perceived as an important breach of proper democracy.

Such a refusal would also clearly prove the lack of courage of the Liberals, stemming no doubt from the fear of disclosing embarrassing information. Transparency and openness were

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your campaign leitmotiv and are the main themes of your red book. Your leader keeps repeating that you are a good government with nothing to hide. Now is the time to prove it!

The government and the minister have not heard the last about the transparency of government's contracts. We will always be watching because the population has the right to know. The small king of government services can stop ruling over his kingdom because he showed us his colours: red, red, red; a sure sign of lack of transparency. One day soon, he will have to answer to the population and on that day he will find out that acting like a king can be very dangerous.

[English]

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada): Madam Speaker, the member of Parliament for Laurentides has moved that the government table all contracts entered into by federal departments and agencies on a monthly basis.

According to the motion the purpose of this activity would be threefold: to keep taxpayers informed; to stimulate competitiveness; and to ensure government decisions are open and transparent. There is no doubt these are worthy goals. However, I would like to assure the member and the House that these concerns are already carefully and responsibly addressed by this government.

What the member is suggesting with this motion is the creation of another layer of bureaucracy. It would duplicate and overlap with currently existing services which disseminate the information being sought by the member. What the member and her party are calling for is a waste of taxpayers' money.

(1750)

[Translation]

Obviously, administering the procurement process is an enormous task for the federal government. However, a number of systems enjoying an excellent cost effectiveness ratio are already in place at Public Works and Government Services Canada. These systems ensure that the Canadian public is served fairly and efficiently and is given unrestricted access to information concerning government procurement.

Therefore, there is no need to waste taxpayers' time, energy or money tabling reports on the procurement process, since this information is already available and readily accessible to the Canadian public.

The questions raised in the motion now before us for debate, namely access to information about contracts, competitiveness and the integrity of the procurement process, have and continue to be priorities of this government.

As one of the largest purchasers of goods and services and as a major administrator of real property holdings, Public Works and Government Services Canada ensures that basic information

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enabling all companies in Canada to do business with the federal government is readily available to them.

One of the tools it uses is the Open Bidding Service. Also known as the OBS, this system is an electronic bulletin which posts information and provides everyone with an equal opportunity to bid on government procurement contracts. The OBS supplies information on contracts that will be opened shortly and on the documents businesses will need to have in order to submit bids. All Public Works and Government Services Canada construction or maintenance services contracts valued at \$60,000 or more, as well as all other types of contracts of \$25,000 or more are posted in the OBS. Each year, more than \$5 billion in purchases are made through the OBS.

The OBS ensures that every person, regardless of where he or she lives in Canada, has access at the same time as everyone else to the same information and for the same price.

Public Works and Government Services Canada also publishes a printed journal entitled "Government Business Opportunities" which, like the OBS, lists all contract opportunities. This journal, which is published three times a week, also provides information as it becomes available.

[English]

This information is also available in the federal business bulletin and the R and D bulletin.

The federal business bulletin, which appears twice a week, gives a brief description of the contracts awarded across Canada. With about 100 editions of this publication produced every year, approximately 1,200 contracts awarded by the government are announced in this way. The document is available to anyone who asks to be put on the mailing list.

The R and D bulletin provides information on contracts in the science and technology field. On a monthly basis it provides up to date information on federally funded science and technology contracts that have been awarded.

[Translation]

In addition to providing information about contract opportunities with the federal government, OBS also gives advance notice of contracts to be awarded. These are notices of contracts that the government intends to award without tender, called sole source contracts. Advance notice is displayed in OBS to give companies an opportunity to challenge the government's decision to call on only one supplier. If another supplier proves that he can meet the requirements of a contract that is to be sole-sourced, a call for competitive bids will be issued. This is another effective way that the government uses to stimulate competition.

Besides providing all Canadians with information on opportunities to bid, the government also makes available to them information on contracts already awarded on a regular basis. Canadians thus have access to this information as soon as it is available, and not only once a month, as the hon. member proposes. The Open Bidding Service also offers a historic data base with which any Canadian can find out all competitive contracts announced since 1989.

(1755)

Thus anyone in Canada can find out what companies obtained contracts by open bidding, for what good or service and when.

The Open Bidding Service was designed so that everyone could have easy access to information on current purchasing possibilities and on contracts already awarded by the government. This system meets all the requirements for access to information, competition and accountability.

Easy access to relevant and timely information is the key to ensuring the fairness and openness required for the purchasing process. Nevertheless, our government believes that suppliers must also have an appeal mechanism at their disposal if they think that the government has not kept its commitment to act fairly and openly.

The Canadian International Trade Tribunal is an independent body that gives suppliers quick recourse at low cost for contesting the awarding of contracts subject to the North American Free Trade Agreement.

If they win their case, they can receive compensation or be allowed to participate in a new bid. This is a mechanism to ensure the integrity and honesty of the purchasing process.

More generally, each department accounts for its activities and acquisitions to Parliament, and thus to suppliers, to the media and to all Canadians, through the Main Estimates and the Auditor General's Report, which are tabled annually.

The public sector is under constant scrutiny, Madam Speaker. Canadians demand not only that the government keep its expenditures and the cost of its services under control, but also that it show integrity.

With all the procedures already in place, there is no doubt that government contracting is open to all, that the process is equitable and that all related information is already available and accessible to all Canadians.

There are a number of problems with the motion before this House today. The mere fact of tabling in the House the information relating to all contracts awarded will not make this information more readily accessible to the Canadian public.

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Up to date information on contracts awarded is currently available every day to any Canadian anywhere across Canada on the OBS. This information is very time sensitive for suppliers. With the information currently available and accessible, suppliers know right away whom to approach for example for subcontracting activities.

A monthly printout is not only a duplication of information already available but of very limited benefit to suppliers as it is only an historical record. The cost of producing monthly reports of this nature must also be taken into account. Given the volume of contracts let by the federal government every month this would be an extremely costly and time consuming activity. The tabling of monthly reports of contracts awarded is a duplication of efforts.

[Translation]

As the hon. member herself told this House, we must strive to eliminate duplication and overlap so as to reduce costs, save money and ensure efficiency.

[English]

This government is streamlining and eliminating waste. It is not the intention of this government to spend taxpayers' dollars reproducing reports which already exist and are an effective and proven means of accessing the same information.

On the very day that one Bloc member is calling for the reduction in duplication and overlap, another Bloc member is also calling for another layer which duplicates an existing program, creating once again administrative chaos. The Bloc cannot suck and blow at the same time.

This government's commitment to the integrity of the procurement process was made very clear with the recent release of new guidelines for public and open research and advertising contracts by the Minister of Public Works and Government Services. This announcement by the ministry clearly illustrates the commitment of the Prime Minister and this government to an open and fair process for the Canadian people.

(1800)

Once again Canadians already have access to up to date information everywhere in Canada on the government procurement activities. Not only here is there no need for repackaging this information, but it would be a waste of effort and energy. The government strongly believes in the importance of the integrity of the procurement process. Canadians have the right to know how their government does business and who it does business with. They also require that their government not waste money.

Mr. Randy White (Fraser Valley West): Madam Speaker, it is ironic that all those years in opposition the Liberals wanted accountability and now we hear them talking like they do not want it. This is a request for information.

Although the information that is being requested may have some problems with it in that it is voluminous and the information on a monthly basis may be quite a tribunal to produce, especially in this world of paperwork in Ottawa, I suppose we might be able to look at limits on the types of dollars that are reported, and so on. Nevertheless, the Liberal government would be very wise to keep an open mind on what is being asked here of my colleague.

I am a member of the public accounts committee and it is again ironic that I have asked for information relating to current expenditures of this government and I have been unable to get it on a current basis. Once a year we produce a public accounts list and you can get it at that point. What we are looking for here is money that is unwisely spent at the time it is spent, not a year from now that we go complaining about it.

Why are we asking for this in the first place? Why are we asking for the government to disclose what it is spending and why and how?

How often have we wished in this country that we could elect politicians who possessed the fortitude, the integrity, to be frugal, to spend the taxpayers' money as though it were their own, who end the practice of patronage and have the greatest desire to be held accountable to the people? It seems like we threw the Liberals out in 1984 in the hope that the Conservatives would exercise these responsible attributes. What happened? The Conservatives were just as bad, if not worse, than the Liberals.

Here we are in 1994 throwing Canadians back into the political pot with the Liberals, who already have shown signs of poor judgment, political patronage and wasteful spending.

Is it any wonder why today in this stage of our country's development millions of Canadians cannot tell the difference between the Liberals and the Conservatives?

My colleague who just spoke from the government side said: "Carefully and responsibly addressed by government". That is how he is suggesting that moneys are being spent in this country today. Earlier this week we disclosed in this House that if you call giving prisoners in this country old age security, CPP and GST rebates responsible, I am afraid there is quite a difference of opinion as to what is responsible and what is not. We do not consider that responsible.

Let us take the political placement of the NAFTA headquarters in Montreal, the millions in grants to the Prime Minister's riding for a museum of industry, and a \$30 million grant to Quebec City for a conference centre. One can only wonder since they are basically patronage payouts how many people are

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getting contracts within those allotments that are indeed inappropriate.

What the member is asking for here is some legitimizing of the process, some information going back to the taxpayer that discloses what is going on.

The fact is that there is no difference between Liberals and Conservatives of the past, they are both out of touch. They are both big spenders and firmly believe in spending your money the way they prefer and not the way you prefer.

What must all Canadians do to protect ourselves these days? I think the hon. member for Laurentides has a solution to part of the problem at least. Systematically table every month all of the contracts awarded by departments and by the agencies that report to them. What is so difficult about something like that?

(1805)

It will be interesting to see whether or not this flaccid Liberal government supports this motion. After all, it does have the potential of keeping the taxpayer appropriately informed, stimulating competitiveness and ensuring that government decisions are open for public scrutiny. We will see when the vote comes. It is probably Monday or Tuesday night, and we will be watching for it.

Since we know that the Liberals and Conservatives are kindred spirits in the same world of politics, let us look at some expenditures of the past that were made on behalf of the citizens of our country. They can judge for themselves whether they would have spent money on these projects. If they disagree, they should write their members of Parliament and tell them what they think. They should confirm that they want some safeguards instilled to protect them and their hard earned income from the Liberal process of mismanagement.

I want to run through a couple. I want to make it very clear that these were expenditures within the Conservative government. However, I am making my point here that there is very little difference between this Liberal government with regard to management of fiscal resources in this country and the Conservatives.

Let us look at what the National Capital Commission spent in 1991; \$10,800 of taxpayers' money to finance a poll to find out what Canadians thought about Christmas lights. Is that a wise expenditure? I do not think the people of Fraser Valley West would think that way.

In 1990 the finance department spent \$300,000 to produce and distribute 40,000 videos explaining how the federal government spent money—very good. We will be watching for these expenditures all through the next five years. If the government thinks

it is going to get away with it, it has another thing coming with the Reform Party because we are going to watchdog every expenditure it has.

I will give a couple of more because there are so many. Let us talk about the \$147,000 to examine lullabies, the form and function in infant directed music—very good. I think the people watching are getting the point.

An hon. member: What have you got against children?

Mr. White (Fraser Valley West): One of my colleagues asks what I have against children. I have absolutely nothing against children. In fact, that is one of the reasons I am here. The children of this country are not going to fare very well with a \$40 billion deficit this year. They have to pay that debt. It is going to be on their backs. What have I got against children?—nothing. We are here to protect their future, not like this government.

Once the report is issued, if it were issued on a monthly basis or a semi-monthly basis or whatever, what do we do with the information? Do we fire a bureaucrat? That is unlikely, the way we are looking at things here. We cannot even get at the jumble of fish and find out, as they say, who done it. Do we question the House on the merits of these expenditures in Question Period in the House of Commons?

If anybody has been watching Question Period in the House of Commons since it has opened, we have yet to get decent answers from this government when we ask the ministers questions. How do we get at these kinds of issues?

Perhaps we take it to a committee of the House of Commons. Maybe we should take it to the public accounts committee. We are back to the vicious circle where I started. Actually I had asked the question time and time again in public accounts and I get the answer: "Wait until the public accounts report comes out from the Auditor General or the Comptroller General". That comes out once a year. Here we are retroactively dealing with it.

If contracts are going to be let, let us give the people in this country the ability to look at the repercussions, the patronage, the unwise spending of this government. It is truly unfortunate we Reformers are here to be the watchdog on this Liberal government to protect the public's interest, but it is a necessity.

Let us hope we make a difference because certainly this government will not.

Mrs. Marlene Cowling (Dauphin—Swan River): Madam Speaker, on May 4 the hon. member for Laurentides proposed:

That the government should systematically table, every month, all contracts awarded by departments and by the agencies that report to them, with any related information, in order to (a) keep the taxpayer appropriately informed, (b) stimulate competitiveness, and (c) ensure that government decisions are open and transparent.

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(1810)

As the member for Dauphin—Swan River I want to assure the hon. member that from the very outset of its mandate this government has been committed to fairness and openness in government contracting. This government has stressed the need for maximum use of competition by departments and agencies when contracting for the goods and services it requires from the private sector to fulfil its various programs.

I believe there is a compelling need especially these days for strict fiscal restraint to ensure that each dollar spent by the government is a necessary expense and that it represents the best value that can be achieved in the use of that scarce resource. At the same time I agree that all government contracting must be undertaken in a manner that keeps the taxpayer informed, stimulates competitiveness, and ensures that government decisions are open and transparent. Treasury Board already has in place contracting policies that address these specific goals.

I should like to point out the magnitude of the government's contracting activities. The Government of Canada is the country's largest user of private sector supplies. There are over 200,000 transactions each year ranging from small purchases such as items of stationery to major procurements such as military equipment.

By relying on the program experts of departments, only a very small percentage of government contracts often associated with large and risky initiatives require the collective review of ministers. All contracts however are subject to the requirements of the Treasury Board contracting policy whose principles and procedures I again emphasize ensure an open, transparent and competitive contracting process.

While the Department of Public Works and Government Services undertakes many contracts on behalf of other departments, close to half of all contracts are awarded under the authority of individual departments.

In these circumstances I cannot agree that the government should impose the suggested detailed monthly consolidation of all this contracting information. The cost of preparing such a list and the time spent preparing it would far exceed any benefit. Information on the magnitude of government contracting already exists.

This government is making improvements to ensure even greater transparency. Each year the public accounts include substantial information on contract expenditures. This is listed by individual department. It is then further broken down by individual contractor for all contracts which exceed \$100,000.

For professional and special service contracts, an area which has grown over the past decade, I refer the hon. member to the convenient summary in the public accounts. It groups contracts

for each department under the most common types of services the government acquires, such as accounting services, engineering and architectural services, information services, legal services, training and educational services, and the like.

In addition, there is Canada's international trade commitments which require specific detailed reporting on contracts awarded. For example the comprehensive reports required under the North American Free Trade Agreement are currently being implemented.

In this regard I would like to inform the hon. member that under the terms of this agreement the government is committed to the use of open and competitive contracting for all the procurements in excess of the NAFTA thresholds. This means ensuring that American and Mexican as well as Canadian companies are aware of the government's needs and have an opportunity to bid to provide them.

Even as we are adjusting to the international aspects of this new operating environment, we must also make preparations to provide the other parties with the annual report which I previously mentioned. This will prove that we are fulfilling the terms and the spirit of the agreement. I know that achieving trilateral agreement on the nature and precise detail of what is to be recorded has not been easy.

(1815)

Furthermore, at least in Canada's case, there is a related ongoing period of difficult adjustment. As departments develop and begin to put in place systems to collect the required information, I can assure the hon. member that the end result of this long and arduous process will be a publicly available document which will more than meet any need for statistical information on government contracts.

As well, because this report will be public, departments will doubtlessly consider this to be a further incentive to use the competitive contracting process.

As the member for Dauphin—Swan River I agree that interested suppliers need to know what acquisitions the government plans to make. This is the key to a truly competitive process.

Treasury Board policy encourages the use of open bidding service for advertising upcoming purchases of goods and services. The open bidding method uses both electronic information technology and the print medium to advertise bids. It is compulsory for advertising all procurements subject to NAFTA.

The Department of Public Works and Government Services uses this means for communicating with industry for all procurements over \$25,000.

When the government knows that it must acquire a good or service it uses the open bidding service and the government

Private Members' Business

business opportunities publication to inform suppliers of a proposed purchase and thereby to solicit proposals from them.

The related notice of proposed procurement is carried by these media for either 40 days if it is subject to the NAFTA or 30 days if it is not covered under the NAFTA. The notice identifies what is needed, how much of it, any related technical specifications, the supply timeframe, and any other relevant information which pertains to this proposed acquisition.

As well it lists the criteria which will be used to evaluate whether the supplier is qualified to provide the good or service and the second set of criteria which state what will be used to evaluate the proposals of the qualified suppliers.

By providing all this detail up front business is assured sufficient time to decide whether it could supply the item, whether it wants to supply it, to seek any further clarifications which it may wish and then to develop and submit its proposal.

There are of course other situations where the government anticipates that it will need a good or a service in the next little while but it does not need it immediately. Again, the open bidding service and the government business opportunities can be used to identify a list of possible suppliers which can be turned to when the item is actually needed.

In this case the government places a notice of planned procurement on them for either 30 or 40 days depending on whether or not the item is covered under NAFTA. This particular notice will in a comparable manner to the notice of proposed procurements state what is wanted, the quantity thereof, and the like.

In this case though it will only identify the financial, commercial and technical aspects which will serve as the criteria to be used to evaluate whether a supplier is qualified to be included on the suppliers' list.

Again by using the open bidding service and government business opportunities to create this list companies are placed in a position of having ample information and time to determine whether they are interested in pursuing this possible business opportunity.

In view of all the preceding, I cannot agree that the imposition of more detailed and expensive reporting requirements on departments and agencies would serve the best purposes of either the House or the taxpayers of Canada.

This government strives to have the most effective public service in the world. The motion proposed by the hon. member would require a transfer of human and technological resources from areas where they could better serve Canadians and redirect them to meet the proposed monthly contracting reports. This simply cannot be justified as a cost effective use of these limited

resources. In this context, I would suggest that the hon. member especially think about the many small departments and agencies which do not have the resources to assume an overhead burden like the one which has been proposed.

(1820)

If this suggestion were to be adopted these organizations would end up redirecting their resources with the possible result and that thereby could be diverted from meeting their primary mission to Canadians.

[Translation]

Mr. Gérard Asselin (Charlevoix): Madam Speaker, as member for Charlevoix, I am pleased to rise today to support the motion moved in this House this afternoon by the hon. member for Laurentides, Quebec, and seconded by the hon. member for Rimouski—Témiscouata.

What does the Bloc Québécois demand in this motion? Simply that the government put all papers on the table and fulfil through concrete measures the promises made by the Liberals during the election campaign, namely to be transparent, to act with integrity and to hide nothing from Canadians.

I am terribly surprised at the beginning of this debate on the motion of the hon. member for Laurentides because we are simply asking the government to table all contracts awarded during the month. It is very transparent, very normal. The government has the responsibility—just as we do as the Official Opposition—to ensure that public funds, that the taxes paid by Quebecers and Canadians, are well administered.

When the hon. member for Laurentides told me about her motion, I was sure that it would not make waves, that it would be adopted by unanimous consent in this House, that the Liberals would always throughout their mandate—and not only during the election campaign—want to preserve this great spirit of transparency.

We want to raise another issue. Quite recently, I attended with the hon. member for Laurentides a meeting where the Minister of Public Works and Government Services was present. That is where the shoe started to pinch.

Would you, Minister of Public Works and Government Services who, with your officials, administer a very large budget, agree—

The Acting Speaker (Mrs. Mahen): I am sorry but the hon. member must address his remarks to the Chair.

Mr. Asselin: Madam Speaker, I was asking the minister how he would feel if, some day, he was accused of patronage. I know that the minister does his best to monitor his department but, as I asked at a conference on taxation: Is it the civil servants who spend too much, or is it the politicians who are bad managers?

Adjournment Debate

The Minister of Finance replied that it was the politicians who were spending too much.

I think politicians spend too much, often because of a lack of adequate controls. To provide us with the list of contracts awarded is simply a form of control allowing us to monitor the money spent in each department.

During the proceedings of a commission on public works and government services, I asked a question to the Minister of Public Works and Government Services.

(1825)

My question was: "Minister, are you prepared to confirm and to pledge to this commission that you will make public tenders in the newspapers, prepare a public notice and adequate specifications, review the tenders, and then accept the lowest qualified bid?"

You will not believe the minister's answer. He said: "I will not pledge to accept the lowest qualified bid". Again, we are talking about the lowest qualified bid. As I said at the beginning of my speech, a minister's responsibility is to administer public goods and taxes; yet, the minister will not pledge to accept the lowest qualified bidder.

This means that the minister who, I am convinced, spoke in good faith, runs the risk of being betrayed some day by someone who might give a contract to a friend, with the result that the newspapers would relate another patronage decision benefitting some friend of the party who may have paid \$1,000 to attend a fundraising dinner, or who may have made significant contributions to the party's finances.

This would be unfortunate for the minister, and also for department officials. We want the government to do what it, not us, said it would do. Indeed, the Prime Minister himself said that, if elected, he would promote total openness and integrity, and would open all the government books.

As Mrs. Guay said, patronage decisions were made during the nine years of Conservative government. If we do not provide a way to monitor the process, the present government may well be faced with a similar situation.

They also say they want to reduce the deficit. I think it is an excellent idea to prevent waste by agreeing to call for tenders and give all bidders a chance to bid on a contract and give them a chance to work for the government.

To give them that chance, the government has to give public notification and publish such notices in the media. We do not want a situation like the one the Conservatives created when they agreed to privatize Pearson Airport, something the present government could have ratified.

The present Liberal government could have ratified this contract and the helicopter contract as well. Why did it refuse?

Already there are some doubts. They should abide by what was said during the election campaign and what they said in the red book. You said you would be open to a fault. You said you would reduce the deficit, although the government's last budget predicted a deficit of \$39.7 billion.

You also said you would get rid of the GST, although the government is getting ready not to abolish the tax but to change its name—VAT, TOC, whatever—but the GST will not disappear. I think the government has a responsibility to manage our tax money. They are responsible for managing the revenue they get from taxpayers. And we in the Bloc Québécois who with other Quebecers send \$28 billion annually in income tax to the government, are concerned about the way our tax money is being administered, and this does not include what we pay through the GST.

We think that the government is ashamed or just does not want to table the documentation which is simply a way to find out in which ridings in Quebec and Ontario contracts have been awarded.

(1830)

It might be interesting to find out how much it costs the government to do something within its own administration. If the government does not table this information, that is because it is a poor manager. The government should manage taxpayers money as carefully as municipalities do this in Quebec, and I am sure in the rest of Canada.

I was a municipal councillor for 14 years in Baie-Comeau, and according to the legislation on cities and towns, the municipal council was obliged, by resolution, to award a contract to the lowest bidder. I would ask the government, which manages far more money than the municipalities, to be as careful as they are about managing taxpayers' money.

As the parliamentary secretary pointed out, I know I can have access to certain documents thanks to the Access to Information Act, but this is quite a production. You need the nature of the contract, the contract number and the date on which the contract was awarded, and the result is still zilch.

The Acting Speaker (Mrs. Maheu): Time for Private Members' Business has now expired. Pursuant to Standing Order 96(1), the order is dropped from the Order Paper.

ADJOURNMENT PROCEEDINGS

[*Translation*]

The adjournment of the House is deemed to have been moved pursuant to Standing Order 38.

Adjournment Debate

ASSOCIATION CANADIENNE-FRANÇAISE DE L'ONTARIO

Mr. Gaston Péloquin (Brome—Missisquoi): Madam Speaker, last week, I asked the government why members of the Cabinet had all refused to attend the annual convention of the Association canadienne-française de l'Ontario. In view of the outcry raised by that refusal, the Minister of Health recently agreed to attend, but not necessarily for the right reasons. This behaviour is typical of the historical approach taken by the federal government towards French reality in Canada. Federalist members of Parliament do not seem to have the time and, most of all, the desire to defend the interests of French people in this country.

No, Liberal members are much too busy condemning the fact that the Association canadienne-française de l'Ontario had the impudence to invite the Leader of the Official Opposition to its annual convention. The Liberal member for Glengarry—Prescott—Russell even had the gall to compare Franco-Ontarians to little chickens that were contributing to their own misfortune by inviting Colonel Sanders to their annual convention. The member and his sorry associates were quickly taken down a peg or two by representatives of the French communities outside Quebec.

Indeed, several Canadian newspapers reported the response of these French leaders, on May 27, to the scornful words of the hon. member for Glengarry—Prescott—Russell, among others. For instance, in the newspaper *Le Droit*, the president of the ACFO, Mr. Jean Tanguay, was questioning the work done by their Liberal members in the following words: "When time comes to denounce the injustices promulgated by the provincial government, do they make the front page? Have they denounced the fact that we have lost the management of literacy in Ontario?"

The same day newspaper also reported the comments of the president of the ACFO in Prescott—Russell, Mr. Rolland Saumure, who denounced even more violently the attitude of his own federal member. He declared: "It is not by burying our heads in the sand as Mr. Boudria does that we will make any progress. Is Mr. Boudria afraid of information? Should we just listen to our good Liberal ministers in Ottawa?"

The newspaper *La Presse* reported the comments of Mrs. Claire Lanteigne, president of the Fédération des communautés francophones et acadiennes du Canada. She was infuriated with the lack of respect demonstrated to them by some Liberal members who tried to screen the information that could get to them.

In conclusion, I want to say that I find very disgraceful that some members of the House of Commons try to limit the

freedom of speech of members of another political party for the sake of a federalist doctrine that they are unfortunately ready to defend at any cost, as we could see.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Madam Speaker, I am glad that the members from the Bloc Québécois, like the government, is concerned about the faith of minority French-language communities. The Bloc is making interesting promises to these communities, but whether they will be carried out remains to be seen.

There is no doubt, however, that the federal government is supporting these communities, and the official languages policy already provides them with a lot more than this political party which is only passing through Ottawa can promise them.

[English]

It is in the vital field of education that the federal government contributes most significantly to the development of minority communities.

In Ontario alone we have contributed approximately \$334 million in the last five years for the teaching of our official languages, of which \$200 million went for minority official language education for nearly 100,000 young francophones of this province, thus contributing to reducing dropout rates in illiteracy as well as increasing participation in post-secondary education.

To these amounts we have added a contribution of \$50 million over the next five years to help establish a network of three post-secondary colleges for the French speaking minority of this province. This includes La Cité collégiale in Ottawa.

We also fund francophone community associations throughout this province that are active in community development.

[Translation]

Several members of this government will attend the ACFO convention and I would like to remind my colleague from the Official Opposition that government members meet, on a regular basis, with representatives of minority communities, from all over the country, to discuss concrete measures.

[English]

Our commitment to these communities goes much beyond simple rhetoric. We will continue to work in partnership with them to ensure their full development.

The Acting Speaker (Mrs. Maheu): Pursuant to Standing Order 38(5) the motion to adjourn the House is now deemed to have been adopted. The House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24(1).

(The House adjourned at 6.36 p.m.)

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