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Tuesday, June 21, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Tuesday, June 21, 1994

The House met at 10 a.m.

Prayers

ROUTINE PROCEEDINGS

[*English*]

CANADA–UNITED STATES INTERPARLIAMENTARY GROUP

Mr. Joe Comuzzi (Thunder Bay—Nipigon): Mr. Speaker, pursuant to Standing Order 34(1), I have the honour to present, in both official languages, the report of the Canadian delegation to the 35th annual meeting of the Canada–United States Interparliamentary Group which was held in Santa Fe on May 19 to 23, 1994.

The agenda at these meetings is always extensive and wide ranging. The meetings in this case were no exception and we dealt with the economic issues as they relate to both countries, the international concerns we both feel and transborder matters. Other sessions dealt with a comparison between Canada's health care system and what the Americans are trying to implement, as well as the political situation in both countries.

The range and depth of the discussions that took place went a long way in allowing the United States and Canadian parliamentarians to better understand the issues that come between both our countries. Whether the issue was softwood lumber or durum wheat, which is so prevalent today, the opportunity to put forward the Canadian position was afforded to us. I was very proud of the delegation being able to put our position forward in the strongest terms.

As a point of fact, one of the main issues discussed—the minister of fisheries reported on it yesterday—was the lamprey infestation in the Great Lakes. We all know that the lamprey situation is reaching epidemic proportions. It is as a direct result of these meetings held in the month of May that the increased funding for lamprey control in the United States and Canada has been increased. We should be able to bring this parasitic animal

under some control and guarantee the fisheries in both countries.

In conclusion, the Canadian and American delegations agreed to follow up on the durum wheat issue, cross-border matters and other issues as they relate to Canada and I have the pleasure of presenting this report to the House of Commons.

* * *

COMMITTEES OF THE HOUSE

NATURAL RESOURCES

Mr. Robert D. Nault (Kenora—Rainy River): Mr. Speaker, I have the honour to present, in both official languages, the second report of the Standing Committee on Natural Resources on forestry practices in Canada entitled “Canada: A Model Forest Nation in the Making”.

(1005)

I would like to take this opportunity to thank all the members of the Standing Committee on Natural Resources for all their hard work in the last three months in putting together a very comprehensive report on the state of our forests.

Some 17 recommendations are made on how we can continue to be a model forest nation and what we as a nation must do to have sustainable forest practices in order to continue to lead the world as a forestry nation.

Mr. Speaker, I also have the honour to present, in both official languages, the third report of the Standing Committee on Natural Resources on Bill C-25, an act to amend the Canada Petroleum Resources Act, without amendment.

[*Translation*]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, in my capacity as the Opposition critic for natural resources, I attended the standing committee meetings along with my colleagues from the ridings of Abitibi and Anjou—Rivière-des-Prairies. After hearing from a number of witnesses, we quickly realized that the problem raised in committee was caused primarily by the bad publicity in Europe about forestry products from British Columbia.

We were sensitive to the forestry sector's significant contribution to Canada and to Quebec, to the problem of marketing forestry products on the international scene, and to the impor-

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tance of sustainable development as a touchstone to guide action by all parties in the forestry sector.

The Bloc Québécois has tabled a dissenting opinion for the following reasons. First, because the federal government intends to adopt a centralist approach in order to mediate a problem concentrated in one province. Second, since the Constitution Act, 1982 recognizes the provinces' jurisdiction over the development, conservation and management of forestry resources, any action by the federal government would require a prior mandate from the provinces.

Bloc Québécois MPs nevertheless consider that it is their responsibility to promote the interests of Quebec and the provinces in certain areas, particularly federal-provincial agreements, the rights of aboriginal peoples, the national certification process, and Canada's international forest strategy.

PUBLIC ACCOUNTS

Mr. Richard Bélisle (La Prairie): Mr. Speaker, I have the honour to present the fifth report of the Standing Committee on Public Accounts. The committee held two meetings to examine chapter 5 of the 1993 Annual Report of the Auditor General with regard to the Department of Fisheries and Oceans, specifically the Northern Cod Adjustment and Recovery Program.

The committee is concerned that all government programs include proper financial controls. It is also of the belief that full scrutiny and approval, by Parliament, of the programs for which it allocates funds, is a vital component of financial management and control. In the case of the Northern Cod Adjustment and Recovery Program, these needs were not met fully.

Now that the program has ended, the committee strongly believes that some valuable lessons have been learned from it. These lessons have considerable relevance for the development and implementation of future programs, and ultimately for the way in which Parliament conducts its affairs.

It is out of concern that the kinds of problems experienced by NCARP be either averted or diminished in the future that the committee makes its report and recommendations. Pursuant to Standing Order 109, the committee asks that the government table a comprehensive response to this report.

[English]

HEALTH

Hon. Roger Simmons (Burin—St. George's): Mr. Speaker, I have the honour to present, in both official languages, the first report of the Standing Committee on Health entitled "Towards Zero Consumption, Generic Packaging of Tobacco Products".

Pursuant to Standing Order 109 the committee requests that the government table a comprehensive response within 150 days.

(1010)

[Translation]

Mrs. Pauline Picard (Drummond): Mr. Speaker, I would like to inform the House that the Bloc Québécois, the Official Opposition, has tabled a dissenting minority report that the Standing Committee on Health has agreed to attach to the majority report tabled by my colleague from Burin—St. George's.

It is important to recall that the members of the Bloc Québécois are in favour of implementing true measures designed to protect public health and improve the health of Quebecers and Canadians. We feel that the Standing Committee on Health, despite its best efforts, does not have the tools required to argue conclusively for plain packaging of tobacco products.

While the federal health department's own study is ongoing and will not be completed before the end of the year, introducing plain tobacco packaging is not justified by any testimony that was given before the Standing Committee on Health. What is more, serious concerns were raised about violations of Canada's international trade obligations under the free trade agreement and NAFTA, about substantial losses of direct and indirect jobs and finally about counterfeiting, smuggling and marketing.

The report presented by the members of the Bloc Québécois sets out our concerns over plain packaging of tobacco products and the issues involved in a true public health policy. We are favourable to any measure that is effective, efficient, sustainable and consistent with the government's obligations with respect to the industry, workers and domestic and international trade. Neutral packaging simply does not meet these requirements, as far as we can tell.

[English]

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, on a point of order, if there is unanimous consent, I would like to spend a minute addressing this if I may.

The Deputy Speaker: Is there unanimous consent to have the spokesman of the Reform Party speak with respect to this committee report?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: There is no unanimous consent.

* * *

[Translation]

COMMITTEES OF THE HOUSE

HUMAN RESOURCES DEVELOPMENT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, I have the honour to lay upon the table the 6th report of the standing committee on human resources, concerning the date the committee's report on the review of social

Routine Proceedings

security is to be tabled and a request for permission to travel. If the House agrees, I intend to move that the 6th report be concurred in later today.

* * *

[English]

CORRECTIONS AND CONDITIONAL RELEASE ACT

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada) moved for leave to introduce Bill C-45, an act to amend the Corrections and Conditional Release Act, the Criminal Code, the Criminal Records Act, the Prisons and Reformatories Act and the Transfer of Offenders Act.

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

Mr. Gray: Mr. Speaker, on a point of order, I would like to inform the House that the bill just introduced shall be subject to the provisions of Standing Order 73(1).

* * *

GRAIN EXPORT PROTECTION ACT

Mr. Ray Speaker (Lethbridge) moved for leave to introduce Bill C-262, an act to provide for the settlement of labour disputes affecting the export of grain by arbitration and to amend the Public Service Staff Relations Act in consequence thereof.

He said: Mr. Speaker, I appreciate the opportunity to introduce this bill which affects grain transportation labour disputes. As all of us in this assembly know, these disputes have cost farmers in western Canada millions of dollars and it is time to do something about it.

The purpose of this bill is to provide for the settlement of labour disputes affecting the export of grain. It will do this by providing a process for final offer selection arbitration to prevent grain transportation strikes on the coast.

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

* * *

(1015)

FINANCIAL ADMINISTRATION ACT

Mr. Jim Hart (Okanagan—Similkameen—Merritt) moved for leave to introduce Bill C-263, an act to amend the Financial Administration Act and other acts in consequence thereof (exempted crown corporations).

He said: Mr. Speaker, in an effort to further the good management of all government departments, agencies and corporations, the bill I am proposing at this time seeks to improve accountability by moving certain crown corporations currently exempted from the provisions of the Financial Administration Act into the accountability framework suggested by the Auditor General.

Auditors General have on several occasions in their annual reports made recommendations to introduce this change. Their concern focuses on the fact that these exempt corporations do not face as rigorous an examination as do all other government departments, agencies and corporations.

In a country with the grave debt problems which we have, all government bodies must have the greatest dedication to accountability. We in this House must ensure that every dollar of taxpayers' money is used carefully and judiciously and in the manner of which all citizens of this country can approve.

This bill will remove concerns in this area by ensuring the highest level of responsibility and embracing the principles of good management. It will enhance the credibility of government and the public image of these corporations.

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

* * *

NATIONAL ANTHEM ACT

Mr. Svend J. Robinson (Burnaby—Kingsway) moved for leave to introduce Bill C-264, an act to amend the National Anthem Act.

He said: Mr. Speaker, the purpose of this bill is to change in the English version only the words "thy sons" to the words "our hearts" in order to remove any sexist reference from our national anthem and to change the word "hearts" to the word "pride".

In introducing this bill I would like to pay tribute to a group of students at Westridge school in my constituency, in particular Tim Wood and Aly-Khan Virani and their teacher Emily Sutherland, who have worked very hard to document and help change the unequal representation of females in the media and elsewhere in Canadian society.

I congratulate these young students and their teacher on their leadership in promoting equality for all Canadians including girls and women in Canadian society.

The purpose of this bill is to ensure that equality is reflected in the wording of our national anthem as well.

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

*Routine Proceedings***CRIMINAL CODE AND YOUNG OFFENDERS ACT**

Mr. Jay Hill (Prince George—Peace River): moved for leave to introduce Bill C-265, an act to amend the Criminal Code and the Young Offenders Act (capital punishment).

He said: Mr. Speaker, I would like to thank the hon. member for Skeena for co-sponsoring the bill.

The purpose of this bill is to amend the Criminal Code to impose capital punishment for everyone found guilty of committing first degree murder. Canadians have made it clear that they would like to see some fundamental changes to our criminal justice system and many people are calling for the reinstatement of the death penalty.

(1020)

I do not know whether capital punishment is a deterrent but I do know that you cannot rehabilitate a violent murderer who has no remorse.

Canadians do not want criminals who are guilty of first degree murder back on their streets to kill again.

There is also a growing perception that our justice system is not dealing adequately with youth crime and many Canadians have called for stiffer penalties for young offenders. Currently young offenders convicted of first degree murder are subject to a maximum sentence of five years. The proposed changes to the Young Offenders Act under Bill C-37 increase the maximum sentence to ten years but still do not include a minimum sentence.

This bill would amend the Young Offenders Act to impose a minimum sentence of ten years on young offenders convicted of first degree murder.

I believe that the introduction of this bill is one way this fundamental issue of justice, of punishment that fits the crime, will be debated in this House. Yesterday the Minister of Justice made it clear that this government does not want to let the Canadian people vote on capital punishment in a binding national referendum at the next election.

I recommend that the government allow a free vote on this bill and encourage all members to actively seek the views of their constituents. This critical decision cannot be made merely along party policy lines or by consulting their own conscience without input from the people they purport to represent.

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

The Deputy Speaker: Perhaps I could ask the member who wishes to change the seconder of his bill to get up and put it on the record for the House.

Mr. Hart: Mr. Speaker, the seconder of my private member's bill should be the hon. member for Calgary Southeast.

Mr. Hill (Prince George—Peace River): Mr. Speaker, I also would like to note a change. The hon. member who is seconding my private members' bill is the hon. member for Skeena.

* * *

COMMITTEES OF THE HOUSE

HUMAN RESOURCES DEVELOPMENT

Mr. Francis G. LeBlanc (Cape Breton Highlands—Canso): Mr. Speaker, if the House gives its consent I move that the sixth report of the Standing Committee on Human Resources Development presented to the House earlier this day be concurred in.

(Motion agreed to.)

* * *

PETITIONS

VIA RAIL

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, it is my honour to rise and present to this House the message I have received loudly from the people of the Waterloo region. They have sent hundreds of postcards, attended large public meetings and today petition this House for a moratorium on passenger rail service cuts. These 4,228 people call upon this House to preserve this vital link in our national transportation network.

I will be presenting thousands and thousands more petitions to this House on this issue. The message is simple. We want VIA Rail service in our community enhanced, not eroded.

[Translation]

VIOLENCE

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, my first petition reads as follows: Since the government is interested in reducing violence in society, it is important that it be concerned about violence in the media; the petitioners ask the government to act accordingly.

[English]

The second petition is from petitioners who believe that abuse of any kind does not contribute to the creation of a less violent society and they ask government to examine the impact of violence and abuse on society.

(1025)

[Translation]

LABOUR DISPUTES

Mr. Bernard St-Laurent (Manicouagan): Mr. Speaker, I am pleased to table in the House today this petition, signed by a number of taxpayers in Quebec, particularly on the South Shore of the St Lawrence river.

The body of this petition asks the government of this country to ensure that anti-strikebreaker legislation is passed as soon as possible. The absence of such regulations gives rise to a negotiating atmosphere that is tense and, in any case, unfair for one of the parties involved in a dispute of this type. Quebec has had such legislation since 1977, as has Ontario for some time. Since that legislation was passed, the labour atmosphere and especially the atmosphere surrounding negotiations have improved considerably.

Anti-strikebreaker legislation means respect for the dignity of workers.

[English]

HUMAN RIGHTS

Mr. John O'Reilly (Victoria—Haliburton): Pursuant to Standing Order 36, I have a number of petitions to present today, all duly certified by the Clerk of Petitions.

The first one requests Parliament to not approve same sex relationships.

KILLER CARDS

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, the next three petitions with 350 names from my riding of Victoria—Haliburton in Ontario call on Parliament to ban the sale and importation of killer cards into Canada.

ETHANOL

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, I have another petition requesting Parliament to maintain the present exemption on the excise portion of ethanol for a decade, allowing for a strong and self-sufficient ethanol industry.

HUMAN RIGHTS

Mr. Grant Hill (Macleod): Mr. Speaker, on behalf of my esteemed colleague for Okanagan—Shuswap I have four petitions to present today.

This first one asks that this House not recognize same sex couples or make changes to the human rights code regarding the undefined phrase sexual orientation.

Routine Proceedings

ABORTION

Mr. Grant Hill (Macleod): Mr. Speaker, the next two petitions ask for the same protection in the Criminal Code for unborn humans that is enjoyed by born humans.

CRIMINAL CODE

Mr. Grant Hill (Macleod): Mr. Speaker, the last petition asks for the mandatory DNA analysis in the Criminal Code.

HUMAN RIGHTS

Ms. Jean Augustine (Etobicoke—Lakeshore): Mr. Speaker, under Standing Order 36, I want to present a petition from a number of people in my riding calling on this House not to amend the human rights code.

YOUNG OFFENDERS ACT

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, pursuant Standing Order 36, I rise today to present three petitions calling upon the federal government to revise the Young Offenders Act.

The petition is signed by approximately one thousand residents in the Yellowhead riding and wants the Young Offenders Act to ensure that those convicted under the act must be subjected to punishment which fits the severity of the crime.

I strongly support the contents of this petition and the petitioners' belief that a strong Young Offenders Act will result in fewer incidents of criminal offences.

HUMAN RIGHTS

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I have three petitions.

In May the Toronto Archdiocese and Council of the Catholic Women's League held its 73rd annual meeting and circulated a petition which was signed by 458 persons. It has asked me to present it here.

It prays that Parliament not amend the Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships or homosexuality, including amending the Human Rights Act to include in the prohibited grounds of discrimination the undefined phrase sexual orientation.

ASSISTED SUICIDE AND EUTHANASIA

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I have another petition from mid-Toronto signed by approximately 100 people which prays that Parliament ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicides be enforced vigorously and that Parliament make no changes in the law which would sanction or allow the aiding or abetting of suicide or active or passive euthanasia.

WITNESS PROTECTION

Mr. Tom Wappel (Scarborough West): Mr. Speaker, I have a petition signed by people in the St. Catharines and Niagara region which talks about the need for the protection of witnesses and for further enforcement of the Criminal Code. These petitioners ask that those people who are victimized by criminals be protected specifically.

Routine Proceedings

They therefore pray that Parliament enact Bill C-206, which is a bill I have put forward, at the earliest opportunity so as to provide a statutory foundation for a national witness relocation and protection program.

BILL C-91

Mr. John Solomon (Regina—Lumsden): Mr. Speaker, it is my pleasure this morning to present a petition pursuant to Standing Order 36 which calls for the repealing of Bill C-91.

(1030)

Bill C-91, the drug patent legislation was passed in the last session. These petitioners feel that this bill was inappropriate for two reasons: first, it has driven up the cost of prescription drugs to Canadians consumers, in some cases by over 100 per cent; second, it has put in jeopardy the prescription drug programs that some governments sponsor to assist citizens in their respective provinces.

These petitioners come from many parts of Saskatchewan including Saskatoon, Lanigan, Leroy, Watson, Winyard, Kindersley, Kyle, Lucky Lake, White City, Herschel, Dinsmore, Burse and Rosetown.

ETHANOL

Mr. Rex Crawford (Kent): Mr. Speaker, I am honoured to present two petitions on behalf of my constituents pursuant to Standing Order 36. The petition is signed by hundreds of my constituents of Kent, bringing the total over the last few months to over 10,000 names.

The petitioners urge the government to support a domestic ethanol industry in light of the fact that a \$170 million plant for Chatham is in jeopardy without federal involvement. Legislative support of ethanol is Liberal policy. The petitioners want it to become government policy.

ASSISTED SUICIDE

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, pursuant to Standing Order 36, I am pleased to present three petitions from residents of the Houston, B.C. area of my constituency, petitioners which I personally support in the strongest terms.

These petitioners are concerned about section 241 of the Canada Criminal Code which states "everyone who counsels a person to commit suicide or aids and abets a person to commit suicide whether suicide ensues or not is guilty of an indictable offence and liable to imprisonment of a term not exceeding 14 years".

The petitioners therefore pray that Parliament not repeal or amend section 241 of the Criminal Code in any way and to uphold the Supreme Court of Canada decision of September 30, 1993 to disallow assisted suicide or euthanasia.

HUMAN RIGHTS

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, I have a petition signed by a number of my constituents and duly approved by the Clerk of Petitions.

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

ASSISTED SUICIDE

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I have a petition which is signed by hundreds of residents of provinces across Canada which draws to the attention of the House the fact that the current Criminal Code denies people who are suffering from terminal or irreversible and debilitating illness the right to choose freely and voluntarily to end their lives with the assistance of a physician.

Therefore the petitioners call upon Parliament to amend the Criminal Code to ensure the right of all Canadians to die with dignity by allowing people with terminal or irreversible and debilitating illness the right to the assistance of a physician in ending their lives at the time of their choice subject to strict safeguards to prevent abuse and to ensure that the decision is free, informed, competent and voluntary.

HUMAN RIGHTS

Mr. Bob Mills (Red Deer): Mr. Speaker, I have two petitions today signed by my constituents.

In the first petition the citizens express their disapproval to the government regarding any privileges extended to same sex relationships. In the second petition the citizens express their sentiments and great concern with respect to the aiding or abetting of suicide, active or passive euthanasia.

Therefore the petitioners humbly pray and request that Parliament not amend the human rights code, the Canadian Human Rights Act or the Charter of Rights and Freedoms in any way which would tend to indicate societal approval of same sex relationships and that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously.

ASSISTED SUICIDE

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I have three different petitions to present this morning.

The first petition calls on the government to retain existing laws that prohibit the aiding and abetting of suicide and euthanasia. Many of my constituents have signed these petitions which state: "Physician in Canada should be working to save lives, not to end them".

Routine Proceedings

(1035)

HUMAN RIGHTS

Mr. Chuck Strahl (Fraser Valley East): The second petition calls on the government not to amend the Human Rights Code or any other legislation which would “indicate societal approval of same sex relationships or homosexuality”. They are particularly concerned about the lack of definition of the phrase sexual orientation.

RIGHTS OF THE UNBORN

Mr. Chuck Strahl (Fraser Valley East): The last petition is on protection for the unborn. The petitioners call on the House to act immediately to extend protection to the unborn child by amending the Criminal Code to extend the same protection enjoyed by born human beings to unborn human beings.

I would like to add that I concur with all three petitions.

ASSISTED SUICIDE

Mr. Gordon Kirkby (Prince Albert—Churchill River): Mr. Speaker, it is my pleasure today to rise pursuant to Standing Order 36 on behalf of 84 constituents to present a petition regarding doctor assisted suicide in Canada. The petitioners call upon the government to maintain the provisions of the Criminal Code which prohibit euthanasia in Canada.

ETHANOL

Mr. Ivan Grose (Oshawa): Mr. Speaker, I am honoured to present a petition on behalf of the people of southern Ontario pursuant to Standing Order 36. This petition brings the total number of names over the past few months to over 10,000, an incredible show of support for this program.

They urge the government to support a domestic ethanol industry. Inasmuch as my constituents are the people who manufacture the vehicles to use this fuel, I think it indicates the broad base support for this program.

RIGHTS OF THE UNBORN

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, pursuant to Standing Order 36 I am pleased to present a petition on behalf of a number of Ontarians, some of whom are my constituents. These petitioners pray that Parliament act to extend protection to the unborn child on the same basis as there is protection to born human beings.

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QUESTIONS ON THE ORDER PAPER

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, Question No. 36 will be answered today.

[Text]

Question No. 36—**Mr. Mills (Red Deer):**

With respect to the electoral observer's trip to South Africa on April 17, 1994 sponsored by the foreign affairs department, (a) who attended, (b) what was the cost by person and (c) what was the total cost?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, the list of participants to the Canadian electoral observation mission to the South African elections is as follows:

Canadian electoral observation mission:

The Honourable Mrs. Christine Stewart, C.P., M.P., *Secretary of State (Latin America and Africa);*

Mrs. Maud Debieu, M.P.

Ms. Jean Augustine, M.P.

Mr. Réginald Bélair, M.P.

Mr. Ovid Jackson, M.P.

Mr. Peter Milliken, M.P.

Mr. Svend Robinson, M.P.

Mr. Robert McLaren

Mrs. Michèle Falardeau—Ramsey

Mrs. Martha Nelams

Mrs. Christine Murphy

Canadian specialists on South Africa accompanying the mission:

Ms. Carolyn McMaster

Mr. Grant Hawes

Mr. Bryan Burton

Mr. Douglas Fraser

Mr. Michael Kaduck

The costs, which appear below, are still the budgeted costs. The actual expenditures have yet to be calculated since expense claims for all the participants have not yet been submitted and audited. Our preliminary assessment is that the actual costs will be for the most part below what was budgeted.

Parliamentarians (7 persons)	\$ 92,250
Experts for the observation (4 persons)	\$ 56,400
Experts on South Africa (5 persons)	\$ 77,300

Total budgeted costs for the Canadian electoral observation mission to the South African elections \$ 225,950

[English]

The Deputy Speaker: The question enumerated by the parliamentary secretary has been answered.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, if Question No. 41 could be made an Order for Return, the return would be tabled immediately.

The Deputy Speaker: Is it the pleasure of the House that Question No. 41 be deemed to have been made an Order for Return?

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Some hon. Members: Agreed.

[Text]

Question No. 41—**Mr. Williams:**

What are the names of the Canadian citizens and the specific criteria utilized to select the participants as election observers for the South African election (a) in the 75 member bilateral mission, (b) in the Commonwealth Observer Group and (c) serving with Canadian and South African non-governmental organizations?

(Return tabled.)

[English]

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

The Deputy Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

EXCISE TAX ACT

Hon. Douglas Peters (for the Minister of Finance) moved that Bill C-32, an act to amend the Excise Tax Act, the Excise Act and the Income Tax Act, be read the third time and passed.

He said: Mr. Speaker, Bill C-32 contains the legislative provisions to implement a number of excise and income tax changes announced over the past four months. Most of these proposals relate to the tobacco tax changes that were announced by the Prime Minister on February 8, 1994, as part of the national action plan on smuggling.

Other proposals concern the air transportation tax and the goods and services tax and were announced in the federal budget of February 22, 1994.

Hon. members are no doubt aware of the dramatic growth in tobacco smuggling over the past few years and the profound impact the trade in contraband tobacco products has had on Canadian society. As contraband tobacco products began to assume a rapidly increasing share of the domestic tobacco market, the government suffered a sharp decline in tobacco tax revenues affecting its ability to deliver much needed programs.

Legitimate wholesalers and retailers also suffered a substantial decline in their ongoing business interests as sales of legal tax and duty paid tobacco products underwent a precipitous decline.

Equally troubling and of great concern to all Canadians was the climate of increased lawlessness as the organized criminal network dominated the contraband tobacco trade and funnelled its illegal profits into further criminal activity.

Finally, the availability of cheap contraband tobacco products was undermining the government's health policy objectives of

reducing tobacco consumption, particularly among young people.

Without strong balanced action from the government the level of smuggling would have continued to increase and with the resulting costs accruing to government business and citizens alike. This concern was the basis for the national action plan on smuggling announced by the Prime Minister on February 8, 1994.

(1040)

At the forefront of this plan, the government allocated significant additional resources to both the RCMP and Canada Customs to increase their enforcement efforts aimed at disrupting the contraband trade in tobacco and other products.

To facilitate this increased enforcement and reduce the demand for contraband tobacco products, the government also undertook reductions in the rate of excise tax applicable to tobacco products.

Some hon. members have questioned why the government chose to proceed further to reduce tobacco taxes rather than rely solely on increased enforcement measures. It should be remembered that significant new and enhanced enforcement measures were introduced in 1992 when the government of the day announced tighter controls on the distribution and sale of tax free tobacco products in Canada, significantly higher penalties for persons caught smuggling, new proceeds of crime provisions and the allocation of additional resources to RCMP and Canada Customs to strengthen their enforcement efforts.

While these measures assisted the government in its fight against tobacco smuggling, they were not sufficient to bring the problem under control. The price differential between Canadian tax paid tobacco products and contraband tobacco products was such that the profits from smuggling far outweighed the associated risks. As a result, smuggling continued to grow in 1992 and 1993, increasing its share of the Canadian tobacco market from about 15 per cent in 1991 to an astounding 40 per cent at the beginning of this year.

Given this climate of persistent and increased smuggling, the government considered it essential to introduce a comprehensive national action plan including not only new enforcement initiatives but also a reduction in tobacco taxes. To weaken demand for contraband tobacco products in all parts of the country, the government undertook a national \$5 reduction in the rates of excise tax on tobacco products.

To allow greater tax reductions in areas where smuggling was more deeply rooted, the government also offered to match provincial tax reductions in excess of the \$5 up to a maximum total federal tax reduction of \$10.

At the same time, the government was also concerned that tobacco corporations not derive any benefit from the reduction in tobacco taxes thus a new health promotion surtax was imposed on corporate profits from tobacco manufacturing and processing with the funds generated by the surtax being used to

Government Orders

support the largest anti-smoking campaign in the history of Canada.

Finally, to address the role played by export shipments in the contraband tobacco trade, the government reimposed an excise tax on exported tobacco products. The excise tax is designed to ensure that exports of tobacco products will be subject to closer control while also providing manufacturers with certain limited exemptions in respect of legitimate export shipments intended for bona fide consumption outside Canada.

Taken together, these measures form a comprehensive plan to attack tobacco smuggling on all levels. Enforcement alone could never solve the problem. The profits to be made from smuggling and the savings to consumers purchasing contraband products would remain.

By attacking the problem on all fronts, the government has taken strong action toward eliminating tobacco smuggling as a significant national problem. In addition to these changes, the legislation also contains a number of related measures to ensure the effectiveness of a national action plan on smuggling.

Full inventory rebates will be provided to all wholesalers and retailers in respect of the national \$5 tax reduction providing complete reimbursement for tax paid inventories of cigarettes, tobacco sticks and fine cut tobacco held as of midnight February 8, 1994.

The bill also authorizes the payment of partial inventory rebates where federal excise taxes are further reduced to match provincial tobacco tax reductions. Wholesalers and retailers can apply for the additional rebate in respect of their inventories of cigarettes in excess of a certain threshold amount held as of the effective date of matching a federal excise tax reduction.

Some hon. members have asked why the government is not providing wholesalers and retailers with complete coverage for their inventories of tobacco products. I would point out that the inventory rebate program represents a significant expenditure on the part of the government and is just one component of the total fiscal cost that will be borne by the government in confronting the smuggling problem and restoring the legal tax paid market for tobacco products.

(1045)

The inventory rebate program is designed to provide wholesalers and retailers with a significant measure of financial compensation. It ensures that the tobacco tax reductions do not have too large an impact on any one person.

Wholesalers and retailers have been major beneficiaries of the government's national action plan on smuggling. They will

continue to benefit from the restoration of the legal tax paid market. Before any amounts can be paid under the rebate system however this legislation must receive royal assent. This is one of the reasons we are attaching such a high priority to Bill C-32.

Finally, to assist federal enforcement agencies and provinces to control the potential for interprovincial diversion of tobacco products, Bill C-32 contains new liability and offence provisions. An additional federal excise tax will be imposed on a wholesaler or a retailer in respect of any sale of marked tobacco products to a person in another province.

The legislation also makes it an offence subject to a fine for any person who sells or offers for sale tobacco products marked for consumption in one province to a consumer located in another province. The basic design of these provisions is to ensure that tobacco products marked for sale in a particular province are restricted to personal consumption in that province and are not diverted to another province.

While the collection of the additional federal excise tax can be enforced immediately, the offences provision cannot come into force until such time as this bill receives royal assent.

In conclusion, I would like to emphasize the importance of the provisions contained in Bill C-32. The proposed excise and income tax changes are an integral part of the government's action plan to combat smuggling. Together with increased enforcement these measures will make a very significant contribution to halting the contraband tobacco trade.

I urge all my colleagues to give speedy passage to this bill.

[*Translation*]

Mr. Michel Guimond (Beauport—Montmorency—Orléans): Mr. Speaker, Bill C-32 has now reached third reading. As my colleagues have already mentioned, we are not in any hurry to see this bill passed. At first glance, this bill seems to have been prepared in order to allow the federal government to fight tobacco smuggling and do what Quebec did a long time ago: reimburse merchants with inventories of over 5,000 cartons of cigarettes when the reduction of taxes was passed by the federal government and certain provincial governments.

While we agree with this reimbursement and want merchants to receive it as promptly as possible, there is no way we agree that the government should take that opportunity to insert into this bill two other measures that could be harmful to consumers. These measures, which are usually in fine print so that people pay no attention to them, are nonetheless of vital importance. The second measure in this bill has to do with reducing the input tax credit on the meals of executives and workers, who could claim it on business meal expenses and business entertainment

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expenses. The credit was 80 per cent, and will now be reduced to 50 per cent.

What we have been calling for ever since we arrived in the House is justice for all categories of employers and workers. You will understand that, before making any pronouncements on these measures, we would like to have received a report from the finance committee that might have explained to us the detailed repercussions of this one. Perhaps it is a good idea; perhaps we should make some amendments to it; perhaps we would be surprised at certain tax evasions that some large companies will still be able to pull off by switching these expenses to other budget items.

Why does the present Liberal government always seem to be in a hurry to table bills without having the appropriate committee reports? Even at that, there are not many bills, while the number of problems to be solved is ever greater. Could there be a lack of synchronization in this government, which always seems to be governing by the seat of its pants?

(1050)

So I cannot come down on the side of this measure today. I shall have to vote against it if the government refuses to give us a detailed report from the Finance Committee on its repercussions on all categories of employees and employers who will be affected by it.

Lastly, as Official Opposition critic for transportation, I was astounded to see a bill supposedly to reimburse taxes on cigarettes end up by amending air transportation taxes. Now then, for this particular measure, let me assure you that I do have all the information necessary to know that I am against this measure and I shall vote accordingly.

Firstly, I would like to point out to you that this is not the first air fare increase by the federal government. It started off, under the Conservatives, by increasing airport taxes. That \$40 tax is added to all tickets, which means considerable percentage increases in some cases. Today, the federal government is at it again, with a tax that runs counter to all the requests and proposals made by the Association québécoise des transporteurs aériens.

That association made extremely serious recommendations to the present government, the first of which was to eliminate the minimum charge of \$10 and set a taxation percentage of between 0 and 9 per cent. That method would have been much fairer and would have made it possible for higher taxes to be paid by people who often travel for pleasure, while people in the regions who travel because they have to would have paid less.

I am not a prophet, but I am going to try to look into the future for you. The present government is so sure that the airlines will accept this fare hike that in a few months it will also try to make them lower their fares. The government thinks that the airlines will not react and will absorb the increase. The government is

wrong. The airlines already have trouble surviving. Most of our air carriers are running deficits. So, as a result of all this, the price of tickets for travellers in outlying regions will go up once again.

At first glance, the tax structure does not seem too worrisome. At present, the flat rate tax is \$10, plus 7 per cent of the price of the ticket, to a maximum of \$40. It is proposed that the flat rate tax be reduced to \$6, and the same level of 7 per cent of the price of the ticket be maintained, up to a maximum of \$50.

Government machinery costs the public a lot of money; to come up with a proposal like that takes real brainstorming, as we say where I come from. That I am sure of, since I have really suffered through several months of acute meeting mania, and particularly since the Association québécoise des transporteurs aériens had made the government a proposal that was much better thought-out and fairer to air transportation consumers in the regions.

Even the government's objectives in changing the tax structure have been laid out for us: firstly, to increase recovery of the costs of air facilities and services provided by Transport Canada and, secondly, to reduce the tax burden on short-haul domestic flights to smaller communities.

I find the first objective laudable and even desirable. If we want to reduce the deficit, we must do what it takes. We are told that this measure will increase revenues by \$21 million in the first year and \$14 million in subsequent years. If the government had been open, it would have mentioned the first objective and the desired results. It would not have tried to have us believe that this new tax structure would reduce the burden on short-haul domestic flights to smaller communities, because this statement, in my opinion, is far from the truth.

If this measure had been taken before deregulation, we could perhaps have believed in it; but not now.

The cost of transportation is now borne by people in outlying regions. The price of tickets to these destinations has gone up considerably in recent years.

(1055)

For example: airfare between Montreal and Rimouski is currently \$552 plus tax; Montreal-Saguenay, \$466 plus tax; Montreal-Baie Comeau, \$562 plus tax. There is not a great deal of traffic on these connections, and to turn a profit the airlines are forced to raise prices. On the other hand the Montreal-Toronto connection is heavily travelled, and the airfare is about \$400.

The new rate structure is based on price and does not take into account the volume of traffic or the distances involved. The government says there is a perfect relationship between price and distance, which is not true. Price is a factor of both distance and volume. The government's policy of encouraging low ticket prices in the hope of increasing the number of airline passengers to remote areas is wrong. It is actually encouraging the heavi-

ly-travelled short corridors like Montreal-Toronto, which are heavily used by business people, and chartered flights.

Moreover, Mr. Speaker, the government did not think to establish a rate structure that would distinguish between the domestic network and the external network. A vast majority of people on domestic flights are travelling because they have to, while those travelling outside the country are often doing so for pleasure.

Here is a striking example that I am personally very well acquainted with. As the member for Beauport—Montmorency—Orléans I travel regularly on Air Canada's economy class between Quebec City and Ottawa. The distance is approximately 916 ground kilometres return. The ticket costs \$547. Under the new rate structure the tax is \$50 plus GST, or approximately \$88 in taxes, not counting airport taxes. I do not make these trips for fun but to carry out my duties as a member of this House.

Let us now look at a charter flight to Paris during the summer. Quebec City-Paris: about 6,000 ground kilometres, the ticket costs \$499, the tax under the new rate structure is \$50 plus GST, or approximately \$85 in taxes. And I do not have to take that flight, Mr. Speaker, it would be a pleasure trip.

You can see from this example that an overseas flight of almost 6,000 kilometres costs me \$2 less in taxes than a duty flight between Quebec City and Ottawa, and the government will tell us that the purpose of the new rate structure is to reduce the tax burden on short hops to the smallest municipalities. It is ludicrous! I would also like to point out that I cannot take a chartered flight between Quebec City and Ottawa, or between Ottawa and the regions. There are none.

The rate grid that has been put before us shows that the price of all tickets costing more than \$500 will automatically go up with the new rates. This means that a number of transportation services to remote areas will be negatively affected by the new policy.

As I said at the start, Mr. Speaker, the government's number two objective in coming up with this new rate structure has not been achieved and is not transparent. On the contrary: the government is going to make things worse.

During the election campaign, the Liberal Party made great promises to the people. It was loud in its accusations that the Conservative Party showed an egregious lack of transparency. And yet today it is ready to make second-class citizens out of the residents of outlying regions. It would have been possible for the government to introduce a tax system capable of reflecting the special and often difficult situation posed by the problem of air transportation in remote regions. The government itself says that carriers have expressed concern about the excessive burden the air transportation tax imposes on short hops. So what

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does the government do to respond to these concerns? As we see: it wants to increase the regions' tax burden. There is Liberal logic for you! It is unacceptable to try to get us to endorse the bill as it stands.

(1100)

We recognize the urgency of passing the provisions dealing with full rebates on cigarette inventories to reflect the national \$5 reduction in the federal excise tax, partial rebates on inventories to reflect the corresponding reduced federal excise tax and adjustments in the fines for possessing or selling unstamped tobacco products.

On the other hand, we need more information about the portion of the bill that deals with the Goods and Services Tax, and we are entirely opposed to the new air transportation rate structure. Could the bill not be divided in three, so that we could make intelligent decisions? If the Liberal government rejects my suggestion it cannot then turn around and accuse the Bloc Québécois of delaying rebate cheques to merchants who have been entitled to them for a long time.

The Quebec government found a much fairer way of handling this. It reimbursed all merchants, it did not try to make the small retailers shoulder the cost. We are ready to go ahead rapidly with passage of that portion of the bill, but we cannot give the government a blank cheque either on items for which we lack information or on a portion of the bill about which we have reservations we would like to make clear to our hon. colleagues from the other parties.

[English]

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, on February 8 the government announced its national action campaign to combat smuggling. At that time Bill C-11 was introduced to address some of the enforcement measures and tax changes which were implemented, using a number of ways and means motions until Bill C-32 was introduced on May 27.

Members of the House may remember second reading debate on Bill C-11 on February 22 of this year. Reformers used that opportunity to consider and respond to all aspects of the action plan to combat smuggling and to express our opposition to the reduction in the tobacco tax. While our knowledge and understanding of the government's tax changes have improved, our opinion and opposition to the tax reduction on cigarettes and tobacco products have not changed.

As a little aside here, it has been an eye opener for me as a new parliamentarian to see the process the government uses in implementing these changes. Behind closed doors it implemented the ways and means motions and made these changes. Then it was brought to Parliament and we debated it, and it became official many months later. It was an interesting exercise. It is interesting to see how government operates. When it wants to

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act it can act very quickly. If it wants to drag its feet it can drag them a long time.

Our concerns about the government's tax reduction on cigarettes were confirmed when the Parliamentary Secretary to the Minister of Health appeared before the Standing Committee on Finance on June 7 and advised that the government's goal was to reduce the demand for tobacco, the number one cause of preventable death in Canada. I will repeat. The government said that its aim or its goal was to reduce the demand for tobacco, the number one cause of preventable death in Canada.

The parliamentary secretary went on to say the government fully recognized that the action plan to combat smuggling and the tax measures associated with it would pose health risks. What a contradiction. On the one hand we have one of the highest risk factors in the nation being acknowledged. On the other hand the government introduces a bill which will be more of a threat to the health of Canadians than probably any other move it has made so far. How can the government continue to sit there and defend this move? I find that unconscionable.

(1105)

Before we get into the reasons why we are opposed to the reduction in the tobacco tax, I would like to outline the measures announced by the government in Bill C-32 which Reformers support. There are some good things. If the government had listened to some of the amendments we proposed and some of the changes we would like to have made, we could have accepted this. However it was like a stone wall.

Reformers support the imposition of the new excise tax on exported tobacco products. Senior officials with the department informed us that before the tax changes were implemented between 30 per cent and 40 per cent of the total production of tobacco manufacturers in Canada was exported. Between 30 per cent and 40 per cent went outside the country, mainly to the United States. Tobacco companies agree that only 3 per cent of their exports were legally consumed and the rest was smuggled back into Canada. If that were the problem why did we not try to solve that problem before we took these measures?

It seems these figures show the extent of the smuggling problem as it existed prior to February 8. It confirms that Canadian tobacco manufacturers were benefiting directly from the smuggling of tobacco back into Canada. Bill C-32 will permit tobacco manufacturers to export 3 per cent of their tobacco production tax exempt. Under the bill, 3 per cent will be allowed and that is the same level as it was before.

The Canadian Cancer Society is concerned that a potential loophole exists in the legislation. Section 7(1) states: "The export tax will not apply when the national tax of the country of destination is paid". In this legislation the government included a loophole so that these companies would avoid paying the Canadian export tax.

For example, in the United States the national tax is only \$2.40 U.S. per carton of 200 cigarettes. That is the tax going into the United States. The Canadian Cancer Society says that by paying this low federal tax in the U.S. the deterrence of the export value is reduced. They do not have to pay the Canadian export tax if they pay the American tax, and the American tax is much lower than the Canadian tax. It is common sense. Will they pay the Canadian tax? Of course not.

Reformers agree with the Canadian Cancer Society recommendation that this clause should be amended so that the export tax is reduced by the amount of foreign paid tax. The government fails to acknowledge the fact that needs to be amended or that loophole needs to be closed.

If the foreign tax paid is greater than \$8 per 200 cigarettes then there would be no export tax payable. As I just illustrated it is only \$2.40 in the United States where most of the tobacco is exported. If this change were made to Bill C-32 in the United States the industry would pay U.S. federal tax plus a partial Canadian export tax, the total of which would equal \$8 per carton of 200 cigarettes. If that were done the loophole would be closed.

Reformers tried to propose an amendment to close the loophole but were told—again this is how government works—by the legislative counsel of the House that this amounted to a tax increase and that only the minister could move such an amendment. We were prevented from moving that amendment because it involved a tax increase. Reformers asked the minister to make such amendment as soon as possible. We ask that this be corrected and that it be done quickly.

The Reform Party also supports the health promotion surtax which will increase by 40 per cent the taxes paid on profits made by tobacco manufacturers. We support this surtax. We feel the surtax on profits of the tobacco companies is an excellent approach based on the principle that the tobacco companies should assume more responsibility for the health problems caused by their products. The surtax would do that. It is a surtax on their profits.

(1110)

Unfortunately the tobacco companies have had a windfall of profits as a result of the increased sales of tobacco products. It is estimated that tobacco manufacturers will have earned enough

in increased profits in six months to more than pay the full three-year health promotion surtax obligation. That is interesting.

Reformers are confused about the rationale used by the government in only having the health promotion surtax apply for three years. In six months they will have made enough increase in their profits to pay it for three years. That surtax comes off in three years. It is built right into the legislation. It will only apply for a three-year term, while the tobacco tax reduction will be in effect and still cause increased consumption and increased health costs long after the surtax is taken off.

Reformers believe that the health promotion surtax should be in effect until the tobacco taxes return to their pre-February 8, 1994 levels. That is how long the surtax should remain in effect. That is common sense.

Reformers tried to propose an amendment to extend the health promotion surtax from three to six years. However again we have that problem. The legislative council advised us that the expansion of a tax could only be made or moved by the minister. The Reformers respectfully request the minister to do that as soon as possible, to make that change and to close the loopholes.

Reformers also support the increase in fines for illegal possession or sale of unstamped tobacco products: increase the fines and solve the problem where it exists.

Reformers believe that increased enforcement combined with the effective export tax should have been tried by the government before it reduced the taxes on cigarettes and tobacco products. If we knew there was a health risk here why did we not try some other avenues first?

We could have put an export tax on those cigarettes. We could have tried enforcement to see how effective it would have been. We knew where the problem existed. We knew where the smuggling was taking place. Reformers believe that if we had tried these things we may not have put the health of Canadians at such great risk.

The final part of Bill C-32 which the Reform Party supports is the immediate payment of tax rebates owing to retailers and distributors throughout Canada. Retailers and wholesalers are owed an estimated \$150 million in rebates of excise tax paid on tobacco products held in inventory while the excise tax rates were reduced. That is legitimate. We support the government in that rebate.

The minister cannot issue the rebate cheques until Bill C-32 is passed. While we oppose the reduction in tobacco taxes retailers are likely to get upset if we delay the bill, and rightfully so, thereby delaying their rebate cheques even further. We do not want to hold them up.

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Reformers proposed at committee stage to have a separate bill introduced dealing with the rebates so that it could be passed quickly. This would allow retailers to get their money quickly. It would allow Parliament the time necessary to debate the full health costs. We would not have to rush the legislation through. Implications resulting from the tax reduction on cigarettes and tobacco products could be more thoroughly examined. The finance committee refused to even consider our request.

Let us start to discuss the provisions of Bill C-32 which we oppose. We are opposed to the tax reduction on cigarettes and tobacco products because it will increase smoking particularly among young people, the most vulnerable sector of our society. As a result it will increase health costs. Increasing smoking will increase health costs. It is a logical conclusion. That is what will happen.

Reformers find it amazing that the government caved into the criminal element of society so quickly. This sent the wrong signal to those who chose to break the law. The Liberal government said that if you defy the law it will change the law rather than enforce it. That is the signal it sent out to the criminal element and I cannot accept that.

(1115)

Reformers find it hard to believe the government did not take a more reasonable approach and impose an effective export tax and increase enforcement in the areas where the majority of the smuggling was occurring. Even the commissioner of the RCMP confirmed in February that 70 per cent of the contraband tobacco was coming through the three Mohawk reserves between Cornwall and Montreal. If that is where the problem was, why not have the courage to enforce the laws of Canada?

What will we do now when the criminal element redirects its smuggling to alcohol, drugs and guns? My understanding is that they are already looking at this. They are looking at where else they can turn to make some money.

When the government caved in and lowered tobacco taxes, all MPs received representation from Canadian distillers that we should also lower the taxes on alcohol and booze. That is the logical thing. If we can reduce taxes in this area, let us reduce it over here because the smuggling will now occur in a different area. Are we going to treat that in the same way? Are we going to reduce the taxes on that? Is that going to be our approach?

There are some segments of this society, law-abiding citizens who very much wish that their taxes were reduced as quickly as this government has chosen to reduce the taxes on tobacco. The problem will still exist, but it will only be transferred to other areas.

The further reduction of the excise tax on cigarettes negotiated in Ontario, Quebec, Nova Scotia, New Brunswick and Prince Edward Island has now created an interprovincial

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smuggling problem. Now it is an east-west smuggling problem. The problem has simply been transferred to a different area.

The government responded to this problem by implementing excise tax and offence provisions to prevent interprovincial smuggling. While Reformers support these provisions, we must point out that these provisions would not have been necessary if the government had tried to increase enforcement and a new export tax on tobacco products in the first place rather than reduce the tax on tobacco products. Now we have to deal with the interprovincial smuggling.

Senior officials at finance say the four western provinces are satisfied that their anti-smuggling campaign is working and that their revenues are holding. They are not likely to reduce their tobacco taxes. Therefore the government's attempt to stop smuggling has created another smuggling problem as I have just explained.

The action on smoking and health group appeared before the Standing Committee on Finance. It told members of Parliament how a 12-year old called a 1-800 mail order number advertised by the fax network which goes right into private homes. The 12-year old ordered and received four cartons of cigarettes by mail, no questions asked. That was across provincial boundaries. That is how easy it is to contravene the regulations this government has put into effect. A 12-year old can simply order cigarettes by phone and get them by giving a credit card number.

These volunteers asked the finance committee to make improvements in the enforcement provisions and increase the fines for this activity. The finance committee approved Bill C-32 without discussion, without further change.

The main point I would like to make today is with regard to the government's disregard for the health of Canadians, particularly young people. When the government first introduced its national action campaign to combat smuggling in February, we asked the government to tell us what the increased health care costs would be.

(1120)

How many people will start smoking as a result of the tax reduction? Because cigarettes cost less, how many people will begin this habit that they will later find very difficult to break?

How many Canadians will become addicted? If this is a temporary tax reduction, will we then have an addiction problem to deal with later? How many people will get lung cancer, emphysema, heart disease and strokes as a result of this plan? How many people will suffer or die as a direct result of the government's tax reduction? How much will this cost the Canadian taxpayer? This tax reduction will end up costing us a horrific amount of money.

The government has continued to push the implementation of this bill despite not having the answers to these very important questions. If we do not have the answers to these questions, how can we continue with this bill?

While the Parliamentary Secretary to the Minister of Health has made it clear that the tax reduction would pose increased health risks, these risks, the costs, the implications for government and the human suffering have not been quantified. Reformers find this appalling.

The Canadian Cancer Society asked the Standing Committee on Finance to complete a thorough evaluation of the health care costs and implications of smoking in Canada, because such an evaluation had not been done since 1986. The finance committee listened politely, but it completely ignored the dozens of recommendations and passed the clause by clause reading of Bill C-32.

Do you know how long it took the committee to pass all of those clauses in Bill C-32? It took 15 seconds. After all the representation we received and all the concerns that were expressed in 15 seconds the committee said: "Here they are, we approve them all". This clause by clause review of a 62 page bill was done in 15 seconds. That is democracy.

Is it any wonder that Reformers are advocating and pushing for a triple-E senate where legislation like this could be reviewed seriously and thoughtfully and amended reasonably. Amendments could be proposed and debated intelligently. Some sober second thought could be given to some of the things the government is doing. A triple-E senate would prevent some of the serious mistakes we are making in pushing legislation through so quickly.

I ask again: What will the increased health costs be? The Canadian Cancer Society provided the Standing Committee on Finance with some estimates prepared by Professor Robert Allen from the department of economics at Harvard University.

Using Professor Allen's most conservative estimates, he predicted that the national cigarette consumption would rise by 14 per cent among adults and it would rise by 35 per cent among young people. Those are the most conservative estimates.

Thus the tax reductions implemented by the Liberals will increase the total number of tobacco users in Canada by 840,000 and of these 175,000 will be teenagers. At this rate Professor Allen predicted health costs would rise in the long term by \$1.33 billion—one thousand, three hundred and thirty millions of dollars—a horrific increase in costs. Those are conservative estimates; it could be higher.

This government will not be in power any more when the detrimental costs of the legislation it is implementing will have to be paid by the people of Canada. The government will not even be around to harvest its returns. As Professor Allen has said these are the most conservative estimates. It could be much higher. It could result in 1.89 million new smokers and if it was that high 245,000 of those would be young people.

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(1125)

If that happens it would result in increased health spending of an additional \$3 billion every year. Still the government fails to tell Canadians what the impact will be. It has hidden that. It refuses to conduct its own evaluation of health costs and implications. It does not even look at it. That is ignoring the health of Canadians.

This is an example of a bill that has such serious health implications and risks it should have been debated jointly by the Standing Committee on Health and the Standing Committee on Finance. Both committees should have been involved. Only in this way could Canadians' concerns about the health risks be properly debated during committee stage.

Had this been done I believe many of the amendments proposed by the Canadian Cancer Society and action on smoking and health would have been made by the government rather than Reformers just talking about them today in the House of Commons. They would have had a chance to make the amendments.

For a government that claims to be listening to the people it does very little of it. Precious little listening is being done to the concerns of Canadians through the Canadian Cancer Society and action on smoking and health.

Another one of our major concerns is that the government has not provided Canadians with a timetable showing when the tobacco taxes will start going up again. Already the cost of cigarettes in three border states is higher than in Canada. Across the line you have to pay more for cigarettes than in Canada because of the action this government has taken.

The government acknowledges the dramatic effect high taxes have on tobacco consumption. It acknowledges that the health promotion surtax will end in three years, but it has not told Canadians what it plans to do at the end of three years. We proposed an amendment but as I said, it is out of order because the minister has to propose the amendment if it is a tax increase.

Will the government make a commitment to raise prices to what they were prior to February 8, 1994 when the health promotion surtax is removed at the end of three years? Will the government make that commitment? Reformers proposed it but legislative counsel advised us that only the minister can do that. Reformers respectfully request the minister to introduce a new bill to bring such an amendment into effect.

For the sake of the health of all Canadians, for the sake of all of those young people who will take up smoking as a direct result of the government's action, for those people, will the government tell Canadians today that this is not a permanent tax

reduction? Will it come in with a plan to increase this again? Will this government tell Canadians that their health is of more concern than the interests of a few smugglers and a few tobacco manufacturers? It is very important that the government send a signal to Canadians that yes, it is concerned.

In closing, I have a list of recommendations for the government in regard to the whole subject of cigarettes and tobacco products.

First, we need an immediate evaluation of the health care costs and implications, particularly for young people. This government should begin to find out what is going to happen as a result of its action.

Second, we need to extend the health promotion surtax beyond three years. It should be in effect as long as tobacco taxes remain as low as they are. That is common sense. There should not be an end to one measure and a continuation of another.

Third, we need to make tobacco companies fully accountable for the increased health care costs. Accountability and responsibility must be laid at the feet of those that are profiting from the sale of this product.

(1130)

Fourth, we need a clear timetable to increase taxes on cigarettes and tobacco products. That should be done. It should begin now. There should be an amendment put in place to make sure that these tobacco taxes are again increased. Co-operate with the Americans. Consult and discuss with them how we can jointly combat this problem.

Fifth, we need to close the loopholes in the export taxes. I have illustrated already, and I will not belabour the point, but let us close those loopholes. If the loophole is there, people will be going through it and profiting from it.

Sixth, we need a better enforcement strategy to stop the east-west smuggling problem. Mail order advertising has not been stopped. I gave the example of a 12-year old who was able to order cartons of cigarettes through the mail.

Seventh, the level of fines also needs to be increased to deter people.

Eighth, we need to ban small packages of smokeless tobacco products. I addressed this previously. I will not refer to it again other than to say that it is on the record.

The hon. member opposite acknowledged that the amendment I proposed should be implemented, but it was not done because of a technicality. Snuff and chewing tobacco designed for sale to young people should be discouraged.

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Ninth, health warnings on cigarette packages are being obscured by manufacturers and government should put an immediate end to this practice. An example of that was given in committee, but the government has not addressed the problem.

Tenth, there is a need for a complete and total ban on tobacco advertising.

From what my constituents are telling me and from what I have been hearing from Canadians, it is clear that the government has once again passed a law that clearly the majority of Canadians do not support. The government continues to push things through, to railroad them through the House, when they are unacceptable to the majority of Canadians.

Reformers believe that the health of Canadians should be the government's first priority. The government has sacrificed the health of Canadians by lowering taxes on cigarettes and Canadians will have the opportunity some day to decide if it was the wisest thing for the government to do. But it may be too late.

Nothing much has changed since we began debating this. The government seems to have an agenda and no amount of common sense will cause it to ever amend the bill. I find that very regrettable. I hope government members are listening like they claim they are.

[*Translation*]

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, it seems odd to be discussing a bill proposing a reduction in tobacco taxes and to find in it a completely unrelated measure on air transportation. The latter is certainly the measure we oppose the most in this bill. I am going to the bill in perspective a bit and speak about what led up to it, and then about what we support and what we do not.

First of all, we have to remember that there was a serious problem with cigarette smuggling, especially in Quebec but also very serious in Ontario and getting worse in the other provinces. It was a problem that was spreading from east to west. Of course smuggling was not bad yet in the western provinces, or at any rate had not assumed the same proportions.

To alleviate the problem, given that the situation had dragged on for several years, it was almost impossible to come up with a solution that did not involve reducing taxes, that is, using price-related incentives to bring buyers back to the legal market.

(1135)

The price of cigarettes had gone up considerably over the last six or seven years and tobacco users were getting increasingly annoyed by the increasing tax burden, especially in conjunction with higher taxes of all kinds. Their annoyance pushed them toward the black market, the underground economy, where they bought with a clear conscience. It became a very common practice.

Various measures were tried to correct the situation, but nothing worked, for as we know there was very little real control in the field, even with all the resources of the RCMP, the Sûreté du Québec and everybody else. It would have been very difficult to solve the problem, because it was so wide-spread. It took so long to react that a contraband network had time to spring up, take over the market and provide excellent service, up to and including home deliveries.

That is why at the start of this session we strongly urged the government to take action, to move rapidly after all the pressure and especially after the "MATRAC" movement in Quebec, where merchants themselves decided to defy the law. The problem had clearly got out of hand and at that point the government decided to act. So as far as reducing the tax as such is concerned, there is no major problem.

There are plenty of people who would say we should be cautious. We all know the negative effects of tobacco use, and it is certainly not our intention to encourage consumption. However, bringing people back to the legal market is one of our concerns, as is encouraging people to respect the law and the system that our society has set up.

Except that at the same time as these measures were introduced, the government said it would be bringing in a battle plan, a plan to encourage people not to consume tobacco products. There is supposed to be a vast education campaign on the harmful effects of tobacco use, focussing especially on young people.

So one of the measures in the bill, a surtax on tobacco manufacturing profits, is going to make the tobacco manufacturers finance the plan themselves. But here a first reservation must be voiced. The anti-smoking campaign is supposed to last three years, while the surtax apparently will last longer than that or be permanent.

So at the end of the three years, the revenue that is supposed to go toward discouraging tobacco use will be clearly reduced because the surtax will no longer be used for the campaign. It should have been stipulated that the money be used for this purpose. Besides, the surtax revenues are higher than the amount required for the plan announced by the Minister of Health, which involves spending \$185 million over the next three years, while it is projected that the surtax revenues will be at least \$210 million. So there is one thing to query, the fact that this money will not be allocated directly when that was what we were told would happen when the anti-smuggling campaign was announced.

There are measures, there is the surtax, which is also designed to penalize to a certain extent people who really collaborated with the smugglers—to punish the producers, in fact, when we know that they can easily get it back by raising the price to the consumer. So this may simply raise prices again somewhat.

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Obviously there are people who think that lower prices will stimulate consumption, except that you have to bear in mind that the black-market price was extremely low, even ridiculously low. So the data that should be considered, the prices that should be compared, are the new price now with the black-market price, and not the price now with the old price, since in any event it may have been as little as one-third of the sales that were made on the legal market, mainly in Quebec and Ontario.

Mr. Speaker, these are measures that do not strike us as so bad overall, but the government has done something really crazy with respect to inventories. All the little vendors who suffered the harmful effects of smuggling over the past three or four years, who already have had to shoulder significant losses in most cases, will only get a partial rebate on the stocks they had at the time the announcement was made or the tax reduced.

(1140)

Since those merchants paid the full amount of the tax, the government should logically reimburse them in full.

The government has said it will refund only \$5 a carton, while in Quebec, for example, the reduced federal tax is equivalent to \$10 a carton; so this is only a 50 per cent rebate.

Why only \$5? Why make those merchants, who have already absorbed costs over the past few years, pay for a portion of the anti-smuggling campaign? And these are small vendors, convenience store owners, small shopkeepers, who are affected. Some would be spared; the ones with at least 5,000 cartons in stock would get a full rebate. Where is the logic in setting a limit of 5,000 cartons?

I will give you an example. In my riding there is a wholesaler with an inventory of 3,000 cartons. He paid \$10 in tax on each of them, but he will get back only \$5. This is an instant \$15,000 loss. People like him do not make astronomical profits. And it is a serious matter for him, \$15,000. It may ultimately mean laying someone off. It might be argued that the market is recovering and this will enable them to get their money back, but that certainly will not be true in the short term.

When departmental officials appeared before the committee, they said that when the opposite occurred, when taxes were increased, retailers then had an advantage, because they had paid the old tax. So when they sold their products, they profited, if you will, from the difference. It is true, but never had tax increases been so drastic, and now the tax has been reduced.

We are strongly opposed to this. And for the same reasons as those mentioned by the hon. member from the Reform Party who spoke just before me—only the minister can table an amendment involving a tax increase. We tried to make many people aware of this point. Representatives of small businesses tried to bring pressure to bear on the minister, but without success.

This is very discouraging, and it is one reason why we cannot support this entire component, because this measure alone will be very harmful to small business.

I would now like to address another feature of the bill. One might ask why a measure concerning air transportation was included in a bill to reduce cigarette taxes.

When we take a closer look at this measure, the whys and wherefores become a little clearer. They wanted to hide it, so that no one would notice that it was going through. They knew there was good support for reducing cigarette taxes, so they put in a controversial measure involving air transportation that affects primarily the regions and the remote areas. A good way to avoid a more heated and more public debate on this particular point was to bury it in a bill whose primary objective has nothing to do with transportation.

The repercussions of this measure will be very serious in most outlying regions, which are already hard hit by the deregulation of air transportation. In the past few years, the price of tickets has gone up considerably. It costs more to travel from some regions in Quebec to Montreal than it does to travel from Montreal to Paris. That situation runs counter to all logic. We should help regions develop and take charge of their future. While, on the one hand, we are trying to do that, on the other hand, measures that will affect those regions are being imposed. I live in one of those regions; I represent the riding of Témiscamingue, which has Rouyn-Noranda as its major airport. We are very much affected.

What is really going to happen with the structure? The former tax structure had a flat rate tax, and then a graduated rate and a \$40 maximum. That means that when we bought a \$500 air ticket, we paid the maximum \$40 tax.

(1145)

Now we are told that the flat rate is going to be a little lower and is going to go up gradually, but that the maximum tax will now be \$50 on all regional flights. And those are not necessarily long-haul flights. They are flights to the major urban centres. The amount of the tax will increase, because it is not often that a ticket costs less than \$500, not often at all for a return ticket.

When you get into prices a little over \$600, you reach the new \$60 maximum. All air tickets costing \$450 or more will be negatively affected; and that is true for all regions. I am not talking about Quebec, or the Maritimes, or the west, as a region in itself; I am talking about regions within Quebec, what we call regions here. The same thing will be true in northern Ontario. The ridings adjoining mine will be affected in the same way, and I am sure that when some Liberal MPs hear from the people in their ridings, they will see that this is certainly not a popular measure. But, since it is going pretty well unnoticed, people will not know exactly who to blame. Did the provincial government

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or the federal government increase this tax? It will be hard to tell. People must be told.

The overall consequence of this restructuring of the tax on air transportation will bring in extra revenues of \$24 million this year and \$44 million next year. Mind you, the tax on short-haul flights, from Ottawa to Toronto or from Montreal to Toronto, for example, will go down. The tax on air tickets costing less than \$450 will go down.

The regional flights will bear the brunt of that \$24 million or \$44 million and even more, since the tax on short-haul flights will generate less revenue. What we are talking about here is the 80 per cent of flights that are short-haul flights which will benefit, and the 20 per cent of flights that are regional flights which will be penalized. It is the 20 per cent of flights to outlying regions that will have to bear the brunt of the \$24 million this year and \$44 million next year. That is not acceptable, not at all.

A one dollar increase in the price of an air ticket in a region where the price is already exorbitant is completely unacceptable. A \$10 tax increase is even less acceptable; it contradicts the logic of all those promises of more air transportation tax relief for the regions, and it contradicts other policies to support regional development and help the regions take charge of their future.

What we have to understand here is that many of those flights are used by people from federal or provincial government departments, travelling to the major urban centres and thus simply passing on higher expenses to the other level of government or within their own government, while penalizing consumers.

It would have been possible to look at international flights, as was recommended to the Finance Committee by the Baie-Commeau chamber of commerce, for example—which, by the way, has worked closely with the chambers of commerce in several regions of Quebec, including those in Val-d'Or and Rouyn-Noranda in my region. Would it not be possible, without necessarily losing any revenue, to look at taxation on those flights?

Through the transport committee and the finance committee, the government is being asked to look at why efforts at deregulation and competition are not bringing prices down. The frequency of flights has gone up in certain regions, but the cost of tickets has gone up, while it was anticipated that it would go down. Perhaps it would be appropriate to take a good hard look at the situation and see what could be done to support regional development.

Because of the fact that small merchants who had stocks of cartons of cigarettes will not be reimbursed and because, in a rather underhanded way, a tax is being introduced that will penalize the regions, we cannot support this bill, even though we find some aspects, such as reducing taxes to fight cigarette smuggling, quite positive.

Overall, the fact that some measures, especially the measure concerning transportation, are quite negative—although the measure concerning small businesses is very negative as well—, means that we shall vote against this bill.

(1150)

I hope however that some of our colleagues from the Liberal Party—particularly those from northern Ontario—will wake up and pressure their government into eventually restructuring air transportation, allowing for regional development and giving regional authorities a better opportunity to plan their economic development than the present contradictory initiatives taken by different departments. These initiatives have left the regions extremely skeptical as to the federal government's capacity to manage economic development in more remote areas.

[English]

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I rise today to speak in favour of Bill C-32. Some of my colleagues today will be expressing many of the negative aspects surrounding this bill and a lot will be speaking against it.

This bill covers three areas, changes for meal allowance and also the air transportation tax and the tobacco tax. This bill is the last stage in the government action plan to combat smuggling. The first stage was Bill C-11 which was mainly concerned with enforcement. This bill brings into effect the proposed tax changes.

With respect to the changes to the meal allowance, the eligible business meals and entertainment expenses are reduced from 80 per cent to 50 per cent in accordance with the provisions outlined in the budget. We supported these changes when the budget came out on the basis that they amounted to business subsidy.

While I recognize that these expenses are legitimate business expenses for some, the reality of the tax break was that it was being used to escape tax and subsidize the recreation activity of business. In addition, some tax relief is still available, albeit at a reduced rate. My colleagues and I are in favour of this aspect of this bill.

With respect to the air transportation tax, this bill reduces the tax burden on short haul, domestic and transporter flights by decreasing the flat charge per ticket and increasing the maximum fee. The flat fee is decreased to \$6 and the maximum is increased to \$50. The changes will bring additional revenue to the government of \$24 million projected in 1994 and \$41 million in 1995.

I support this change as it makes the air transportation tax move toward a full cost recovery basis. I believe the majority of my caucus colleagues also favour that.

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The most important issue is the tobacco tax. Although the majority of our caucus is opposed to the reduction of the excise tax on tobacco products, I disagree with it. Our caucus, though, has some legitimate reasons for being opposed to the reduction. It feels it will encourage more people to smoke, particularly young people. Long term health costs for Canadians have not been calculated. Aggressive enforcement should have been tried first and the new export taxes on tobacco should have been tried first.

I agree with all of those but nevertheless the government failed to approach the problem with that attitude and now we are left with this particular bill in its present form.

My riding is basically split 50:50 on this issue. Fifty per cent are against this bill only because of the impact upon the increase in health costs. Therefore I am looking at this issue not only as a representative of Calgary Centre. I am looking at it as a representative of all of Canada, from the country's point of view.

(1155)

In order to solve a problem we must first of all identify what that problem is, decide on what courses of action are available that will help solve that problem, pick the one that will solve the problem the best and the fastest, implement the decision and examine the results. If it is working, stick with it and if it is not go back to some of the other options.

The main problem we are addressing today is one of organized crime, the underground economy and in particular the problem of cigarette smuggling into Canada. I sympathize with the Prime Minister and the problem that he had with this issue in trying to come up with a solution. It is not an easy one.

With his four point plan he looked at all the factors involved and made a tough decision. It is one of the few he has made. Although we are critical of him it is meant to be constructive and in that area where I feel we can support him I would like to do that.

This issue certainly has cost the government a lot of money and has driven a lot of legal people into the illegal underground economy. Because this addresses that and solves that problem I feel it certainly deserves my support and so I will be talking about that.

The truth of the matter is some people want to smoke. Some people want to drink alcoholic beverages. All people need to eat. Our health care costs are directly linked to our diet and our exercise or lack thereof and not just to cigarettes and booze. To specifically target one item, although undoubtedly a killer—there is no question that one in three to one in four people dies of cancer because of cigarette smoking—do these same people who advocate raising a tax on cigarettes advocate raising a tax

on all food that is bad for us? No, they do not. They allow us to have a choice as it should be with cigarettes and booze.

No matter how high we drive sin taxes, no matter how much we try to discourage the public from doing something through legislation, through the Income Tax Act, if people want to do it and if it is still legal they will do it.

I find it somewhat hypocritical that we say it is legal to smoke and it is legal to drink after a certain age, but then we try to price it out of the market because it is bad for our health. Either this government wants to allow people to do freely what they like to do or it does not, instead of trying to mix the two together.

With respect to the health issue, there have been many concerns expressed by health organizations and individual Canadians who believe that by reducing the cost of cigarettes more people, especially young people, children, will begin to smoke. In my opinion by raising the legal age to smoke, eliminating kiddie packs, limiting vending machines to bars, the government has taken a step in the right direction toward the reduction of smoking in young people.

This fact combined with the increased fines for retailers who sell to minors will help mitigate the problem. I also have a further suggestion in this area and it was well received in the finance committee by the Parliamentary Secretary to the Minister of Health. Patrol the high schools and when the police catch the under age people smoking, they could issue them a summons that also gets mailed to the home. The parents then would be made aware of the fact that their children are smoking. The summons would say basically the next time we catch your child you will also get a summons but that one will cost you \$50 and each and every time we catch your child smoking it will cost you \$50. This perhaps is a way of curtailing young people from smoking.

That is a separate issue from what this bill is trying to resolve. It is trying to resolve the issue of smuggling, not the issue of encouraging young people to smoke.

The federal government is currently losing a guestimate of \$60 billion to \$80 billion per year to the underground economy. This loss of revenue has a direct negative effect on the ability of small, law-abiding businesses to compete in the private sector. In the end it is the Canadian taxpayers who pay for the loss of revenue and the increased costs associated with the lucrative practice of smuggling.

(1200)

I ask non-smoking Canadians who do not feel that the problem of smuggling affects them to think again. The number of people who have been charged by RCMP Customs and Excise has increased from 414 in 1990 to 3,389 to date. The number of seizures within this same time frame has increased from 303 in 1990 to 5,044 to date. Increased enforcement and prosecution

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combined with the loss of government revenues costs the government over a billion dollars a year.

In the end it is every Canadian taxpayer, not just those who drink and smoke, who ends up paying these costs in the form of higher taxes.

The only way to truly eliminate the problem is to reduce the profitability to smugglers, take the profit out of smuggling. In order to do that we have to reduce the cost and the taxes. By reducing the cost differential between smuggled and retailed cigarettes, ordinary cigarette smokers will have less incentive to seek out and purchase illegal cigarettes and, on a larger scale, organized crime will be no longer able to profit from it.

Only when the profit is removed will smuggling be reduced. Law enforcement alone without the removal of profit margin will not be enough to solve this major problem.

We must not lose sight of the fact that this bill is primarily targeted at the multi-billion dollar smuggling market. Federal and provincial governments tax cigarettes and liquor not just to reduce consumption but to generate extra revenue for other programs. These so-called sin taxes combined with health awareness campaigns will not eliminate in its entirety the use and abuse of these substances.

If we go back to before this act, what were the facts? The facts were that people were smoking and people were drinking, except that the purchase of cigarettes went into an underground economy. This is an attempt to bring it to the surface. It is up to all Canadians to deal with this problem at home, in schools and in their communities. If further measures are needed to be taken by the government, then we should vigorously examine all of our options. The bill addresses organized crime, the tobacco companies and respect for the law.

The critics of the bill, including some of my caucus members, have focused on health care costs, more young people smoking and the loss of revenue at a time when government can least afford it.

There are other means available to deter smokers without relying on taxation only. For instance, we could have variable insurance premiums for smokers and non-smokers. The same with alcohol and non-alcohol drinkers, like we do with automobiles. We do it somewhat with physicals but we could even make it more onerous, more specific and more related to being able to identify potential costs to health care by a person who has certain habits, although they are legal, which may cost the taxpayers more money. Therefore their premiums should be higher.

Furthermore, the advertising and education programs about the effects of smoking should be recognized as an influencing factor, although not an end in itself. Despite the many lectures of

parents to their children, despite the many TV commercials, despite the many educational programs that are out there for children and people of all ages, people still smoke.

I personally would cancel the TV commercials because they are ineffective. The young people of this society just laugh at them. They think it is a joke. The government should concentrate on a direct communications piece with each taxpayer to create awareness of the dangers of smoking. That money spent that way would be much more effective. It is a direct message to families and to individuals, done in a professional manner and intended to make people aware of the problems of drinking and smoking. That message would be received by everybody, not just on a hit or miss affair by television where only the TV companies benefit with the extra revenue for their commercials.

There are a few other things I would like to address on this bill. There is an organization called action on smoking and health. Where my colleagues have talked about the impact and effects of this bill on more people smoking and the cost to health care, I suggest they are co-mingling. To argue that lower priced cigarettes will increase smoking, I do not buy that. As my colleague said, 97 per cent of the cigarettes that were manufactured and exported to the United States were coming back into this country in the underground economy. Whatever percentage that was of the manufactured cigarettes, that is exactly the percentage of how much smoking will increase by any survey that is released today or tomorrow or next year because it is now out in the public, it is out on the surface and it is out in the open.

(1205)

To use that statistic and say that cigarette smoking is increasing because of the lower price is not entirely accurate. I realize that people are smoking. I realize the lower the price is of something then people can afford it and they will buy it but we have to solve the underground economy problem. We have to lower taxes. We have to encourage the government to recognize the benefits of lower taxes.

As my colleague asked, if we lower taxes on cigarettes should we lower it on alcohol? The answer is yes. Should we lower it on jewellery and clothing imported from the United States? The answer is yes. Should we lower overall taxes? Should we lower the GST? The answer is yes. How do we pay for it all? We eliminate the dumb wasteful spending of this government that has increased spending by \$3 billion this year.

It will not look at the programs of each of the ministries and reduce spending. It will not go through it line by line. It gave a billion dollars to companies that do not want it. It gives grants and subsidies to people who abuse it, misuse it, and come out with ridiculous reports. That is where we could save a lot. With lower taxes and more money in the hands of ordinary Canadian

taxpayers, it would then increase disposable income and the economy would start to generate and work.

It is economy No. 1. I took it in university in 1968. I have not forgotten it. It seems like the members in this House and the ministers especially will not even go back to economy No. 1 and implement some of the basics of that.

I got off on a slight tangent, let me get back on track.

This is also to show that the two issues are separate. If you want to cure problems in health care then solve the health care problems. If you want to cure the smuggling problem then we have to support bills and issues and ways and means to do that. I believe this does.

However, my colleagues are concerned about the health aspect of smoking and interprovincial smuggling because now that has created a problem. Some westerners are writing letters and saying they feel like second class citizens because of what Ontario and the eastern provinces have done by accepting the lower tax. That is a provincial decision. If the western premiers do not wish to do that that is their decision.

There is a group called action on smoking and health which has made a representation to the finance minister. I would like to touch on some of this and get it into the record because I believe it is important.

Action on smoking and health is western Canada's leading tobacco control agency. It is very concerned with the federal tax differentials contained within Bill C-32. It fully supports the recommendations of western finance ministers to restore a uniform federal tax regime on tobacco products. It believes that the proposed fines for interprovincial smuggling are inadequate and need to be adjusted. I concur.

Based on its calculations, a proposed tax penalty of three times the excise tax avoided barely accounts for the potential profit margin earned by smugglers who ship Quebec and Ontario cigarettes to western Canada.

While there is a \$1,000 additional penalty in Bill C-32 for smuggling violations, a Quebec smuggler would only have to ship two cases of cigarettes to Alberta to cover this loss based on current profit margin. It recommends a more meaningful penalty similar to the new Alberta legislation, and once again that great province is a leader, which provides for fines up to \$10,000 and a six month prison sentence for first time violations.

That is called punishment. That is what our law should be designed to do in the criminal justice system, not rehabilitation all the time. Maybe the two combined, but punishment first.

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In its presentation to the finance committee it also pointed out that the current federal duty strip obstructs the health warning on cigarette packages. If the Minister of Health does not get her plain packaging on cigarettes then perhaps the recommendation that duty strips be positioned horizontally along the package so as not to interfere with the health warning might be a useful recommendation.

(1210)

I found a quotation in a book written by some intelligent economists which reads: "In summation, what we need is an immediate tax cut for low and middle income groups in order to increase demand and purchasing power". That is the lesson of economics that I wish to pass along to this government, the vice-chairman of the Standing Committee on Finance, the Minister of Finance, the Minister of Industry and the Minister of National Revenue and taxation. What this country needs is an immediate tax cut for low and middle income groups in order to increase demand and purchasing power. What we have in this country is a spending problem, not a revenue problem.

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, we certainly appreciated the hon. member's lesson in economics as he calls it.

Coming from one of the ridings along the 49th parallel between Canada and our good friends to the south, I can give a bit of a history lesson on the smuggling of tobacco products, what it meant to my constituency and the businesses and more so the criminal element that it initiated that crept in.

I appreciated the hon. member's comments. I believe that the majority if not all members in this House would indeed support an action that would reduce or eliminate smoking by our youth and indeed by every citizen in this country. I am sure that would be the case.

Whether it is through reduced taxation to be competitive or through smuggling those same tobacco and cigarette products which are and have been available over the past number of years, this whole scenario has created an opportunity for the criminal element to make quick profits at the expense of not only Canadian citizens but the revenue of government through taxation and certainly certainly our youth.

It is not only the criminal element. Because of the wide variation and differential between prices due to taxation, we also saw tobacco products being brought across the border that were very legal.

Would the hon. member agree that the actions taken by the government in this bill to eliminate tobacco smuggling across our borders was not only the correct option but the option that has in fact worked as we have seen over the last two or three months? Since that action was taken the criminal element has been reduced at our border crossings and, as he has indicated,

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many arrests have been made. This action taken by the government has indeed worked. I would like to hear his comments.

Mr. Silye: Mr. Speaker, I would like to approach it in two ways. When the Prime Minister addressed this problem early on in the House when we first arrived here, veterans and rookies alike, this started to develop into a bigger and bigger problem.

Our frustration was that the smuggling was occurring in two major areas. We knew where they were. The problem was that they were on reserve lands. The RCMP was reluctant to go on those lands and make arrests. That led us to believe that this government was shortsighted and lacked the political will to enforce the laws of this country. Two sets of laws started to appear, one for native Indians and their borders and one for the rest of Canada. Therefore, we encouraged the government to enforce the law.

I believe the Prime Minister heard that message and in consultation with the head of the RCMP and the Solicitor General he tried to solve the problem.

(1215)

The Prime Minister heard that message and in consultation with the head of the RCMP and the Solicitor General he tried to solve the problem. His final conclusion was a four-point plan to resolve the issue, to build respect for the law and to prevent the smuggling which is costing taxpayers a lot of money, smokers and non-smokers alike.

I supported his four-point plan. I thought it was well thought out. It was a tough decision. He made a political decision. He made a reasoned decision in the best interests of solving the problem. For that I commend him, for that I respect him and I think he did the right thing. In answer to that, I do support what he did.

As some of my colleagues have mentioned, other steps could have been tried first. Having said that about the Prime Minister, I feel it has worked.

Now that I took so long to answer that part of the question, I forget the second part. I cannot answer it, I apologize.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I want to make a few comments about the process taking place here today.

It makes it a bit awkward when we have an omnibus bill, one that contains something about airport taxes, tobacco taxes and other measures. It is difficult to support such a bill when it contains something to which you are completely opposed. You may support two of the three measures but have to vote against the bill because of something in it that is unacceptable. I have an objection to that kind of thing happening. The issues should be separated out so we can discuss them and vote on them separately.

There is a second thing I would like to comment on. My colleague may wish to respond even though he does not have to. We have the freedom to speak up in the House. We may not agree with even our colleagues within the same party but the government should encourage free discussion and debate.

Like my colleague said, we should identify the problem. We should determine our options. We should decide what would be a reasonable course of action to take and it should be debated. The legislation that flows from the discussion should reflect the feelings of every member in the House.

Very seldom do I hear people sitting on the backbenches of the government expressing an opinion that is contrary to the cabinet. That is a shame. It is unacceptable. In a free and democratic society, we should be allowed to express dissent. That is what should be happening. Debate should be taking place.

I wonder why more people do not speak up and express their concerns in regard to this. Surely members of the Reform Party are not the only ones who are concerned about health. There must be Liberals who also have those kinds of concerns.

My colleague has brought up some legitimate health concerns other than tobacco. They could be debated. It might be a related issue but we should be talking about it.

We need to have that kind of open discussion here. We have begun the process. We have allowed for it. It has happened on occasion but I would like to see more of it. If my hon. colleague would like to comment on any of that, I would welcome him to do so.

Mr. Silye: Mr. Speaker, I feel like I have been put on the spot. Our party believes we should be representing our constituencies and by so doing, because we come from so many varied ridings, both urban and rural, both sides of the mountains, both ends of the country, Ontario to B.C., we will have differing opinions. We will have different views on the same issue.

(1220)

In trying to determine how to vote on a bill, on an issue, I think it is important first of all to bounce ideas, the thrust of the bill, against your party's principles and platform. The Liberals do it with their red book. We had a blue book which we call now the blue sheet. If it is consistent with that then there are no doubts on which way to go.

Then other issues become involved and problems start to surface, it becomes bigger, it becomes a multibillion dollar problem if you include alcohol, hand guns and everything else that gets smuggled into the country. Smuggling is a major problem. I do not believe it is in any red book or blue book.

I believe it is the responsibility of MPs to look at the issue from a Canadian perspective and make a decision in the best interests of the country. Bounce the ideas off constituents so they can have input. There are a lot of mechanisms and ways

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and means by which they can communicate with their MP. We then have a balanced approach.

I am not so sure my colleague intended we should debate an issue first and then draft the legislation or that legislation should be drafted first and then we react to it. I prefer the latter. However if there are amendments such as those we have tried to make to this bill, they should be listened to instead of throwing them out as this current government likes to do.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, it is a pleasure for me to discuss this bill at third reading. I want to comment on a couple of remarks made by my colleagues across the way regarding this issue.

Comments have been made that this problem somehow started in October, some time shortly after we came to government. Our response to the problem was bringing in this legislation but we did not take into consideration the health question.

I do not have to remind hon. members where I come from. In my riding I represent a large number of tobacco producers but also the largest native reserve in the country. I used the term reserve in a somewhat limited way because I understand its negative connotations.

I first came to the House of Commons some six years ago, shortly after this problem started. In fact I have discussed it for a number of years. The smoke huts on the Six Nations are a long way from Akwesasne, a long way from where a lot of the so-called smuggling takes place. This started some four or five years ago. People started to use the tax system to their benefit.

This material did not just appear at one single point. It has been coming across the Canadian border for a number of years at a number of points in the east and in the west. It was always a major problem and it has significantly increased over the last two to three years.

Mr. Speaker, you come from an area where a lot of this problem is taking place, therefore you can attest to the fact that this has been going on in a serious manner for at least two to three years.

When the government brought in this legislation it wanted to also look at what many call the negative health effects of smoking. It looked at this issue in a very serious way. It saw that on every street corner in Toronto, Calgary, Vancouver and all across the country young Canadians had access to cheap cigarettes. That access was right on the corner at the school yard. Quite frankly over the last couple of years the smuggling networks got so sophisticated that it became a very good distribution system that was cheap and easy. Young Canadians had access to cigarettes and tobacco like they never had in the past.

This legislation tried to cut off that access to young Canadians. As a government, along with the provincial governments, we tried to make sure that the penalties imposed on the people who were selling tobacco to minors were greatly increased so that the risk of them being caught was also greatly increased.

(1225)

By doing that we addressed the concerns of Canadians toward health and the easy access to cigarettes young Canadians were getting. By bringing in this legislation we have proven we have totally shut down the distribution system. We have made a system whereby they do not have access to cigarettes.

I agree with the hon. member who spoke previously that this has become a greater problem than just a tobacco problem, that it has moved into other areas. You know, coming from the area, Mr. Speaker, it has moved to alcohol, to guns.

If the hon. member would admit that a lot of what we have done in this legislation, a lot of what we have committed to do in other areas of enforcement, will take a big chunk out of the underground economy also.

What we have tried to do in this legislation is twofold. We have looked at the health of young Canadians. We have made sure that access to tobacco for young Canadians is cut off. We have addressed that health question. We have also made sure that the smuggling situation which has ramifications far beyond Canadians getting cheap cigarettes but has a lot to do with how native Canadians view themselves.

As I have said in the House before, I have had a lot more complaints from native Canadians, people of the Six Nations in my riding, about the smuggling situation than I did from non-natives. They recognized that the values being instilled by the people running the smoke shops and running the smuggling rings were not the values that their fathers and their forefathers had tried to instil in them.

I want to say that I have had a large number of people within the native community come to me and thank me for this bill and thank the government for bringing in this legislation.

I wanted to address the issue that somehow we had all of a sudden just reacted to the fact that we were not going to enforce legislation on native reserves. I do not think that is true. To suggest that smuggling was only taking place on Akwesasne is to ignore the fact that cigarettes were coming through all kinds of points across the country, including points in western Canada.

We have a very large open border. Unfortunately it is very easy to drive truckloads of this stuff across at any given point. We just do not have the sophistication or the numbers of people to check every single truckload of stuff that comes across the border. These smuggled cigarettes were coming in from ev-

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erywhere. To suggest that it was just a native problem is misleading. It is suggesting something that is not the fact.

I will leave it at that. Mr. Speaker, I know that you have worked very hard on this issue and I want to thank you for your input. It was people who were dealing with it on the front lines, like yourself, that helped shape this legislation and helped create the solution to the problem that we solved.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I listened with interest to the remarks that were made by my hon. colleague across the floor.

I want to clarify something. We do not suggest that this has all just begun. This problem has been building up. It would be foolish to say it was only here since October 25. That is not what we are saying. We are not saying that this plan will not combat smuggling. Of course if you reduce the price and there is no profit in it, there will not be any more smuggling. That is common sense.

The hon. member made a statement that I would like him to comment on. He said that the access to young Canadians is cut off. I doubt whether that is so. I still see young people with cigarettes in their mouths. I wonder how this plan is going to effectively control the use of tobacco by young people. I do not see anything here that is going to in any way guarantee that they will not have free access to tobacco products and will not be using them. If that access were limited we would not see many of the young people at the present time smoking. I would like to know what the hon. member sees as being positive in that regard. I still do not see the problem of health being directly addressed.

(1230)

What about the alcohol and guns that are now being smuggled? What will the government do to address that problem? The smuggling element is still there. They have simply turned to another product to smuggle.

Mr. Speller: Mr. Speaker, I thank the hon. member for the questions. I will deal with the health question and with the second question as well. I do not think, as is being espoused by the Reform Party, that we have to militarize the Canada-U.S. border and send tanks into Akwesasne to deal with the situation. I do not think that is the solution.

I have always supported the idea that when we as a government move into certain areas we consult with the local communities involved. That is one thing we have done. We are committed to consulting Canadians to try to resolve the problem that way.

In terms of the health question access to illegal cigarettes was far easier prior to the bill—before we dropped the taxes and before we got rid of the smuggling—than it is today. Kids could buy them in every school yard. Right now because of the commitment of the government and the legislation the penalties

for those in corner stores who might consider doing it is a lot greater. That is why the health question is addressed.

Young Canadians had access at any age. They did not have to show an age or majority card to a smuggler to buy cigarettes. They had that easy access in the school yard. They had it in every city across the country. It was not just in Toronto. It was not just in Montreal. It was also in downtown Calgary. Many parents came to us from those areas and suggested that something needed to be done. There was a problem. We took action on it and we did something about it. It may not please everybody but we saw a problem and we dealt with it.

In terms of dealing with the smuggling problem I agree, but the guns and alcohol smuggling problem is not a problem directly related to just reserves. It is a problem across the country. We made commitments to deal with some of gun control problems. The Minister of Justice said that we were committed to putting more resources toward stopping the smuggling of alcohol and guns. A lot of the problems in the country in terms of gun control is the fact that many of these guns are being used in crimes in major cities. They are not bought legally but are smuggled across the border.

We have seen the problem. The government has committed more resources, more time and more energy to resolving the problem and bringing in solutions. That is the sensible approach to dealing with the issue.

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I have listened to the debate and to the hon. member's comments. I would like to make a short statement and ask him to respond to it. If reducing or eliminating smuggling is simply the job of passing laws and enforcing those laws, why was that not done to stop the smuggling of cigarettes?

I asked the hon. justice minister during a meeting with him if he would introduce stricter laws to prevent the smuggling of guns into the country and how he was making out with the cocaine and the drug problem. That is illegal in Canada as well. Yet we can buy it anywhere in any of the major cities across the country.

The smuggling problem is be eliminated by reducing taxes. The children in the schools will now have the money to buy cheaper cigarettes. We are creating an internal smuggling problem. There will be people supplying cigarettes to kids in the school yard.

(1235)

I would like him to comment on the principle that underlies the whole area of smuggling and people seeking products that the law has prohibited.

Mr. Speller: Mr. Speaker, that is a very good question. It is a question that I continually asked the previous government. Frankly it did not do a heck of a lot to solve it. However we have taken the bull by the horns and are starting to address these

issues. It is not simple. We cannot just bring in legislation and all of a sudden think it will solve the problem.

As a government we have gone beyond the legislative process. First and foremost we must work with Canadians on the matter. We must work with local communities that are having specific problems in terms of smuggling. We have increased the enforcement aspect of it. We have put more police on it. We have a large border. We have the largest undefended border in the world. We have a particular problem in Canada to deal with. One of the ways to deal with it is through enforcement.

Another way is to make sure that when laws are brought in and criminals are convicted they get the punishment they deserve and we do not bargain off their penalties for other things. That is the commitment made by the government. We are not only bringing in tougher laws. We will make sure the penalties for people breaking those laws are in force, that they serve their time and the penalties are not bargained off somehow.

That is not easy to do. Changes to our criminal justice system cannot happen overnight. We are working on it. We will make sure the criminals are told they should not be involved in this type of activity.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I am pleased to rise in the House today to address Bill C-32.

The bill introduces amendments to the Excise Act, the Excise Tax Act and the Income Tax Act for the purpose of combating cigarette smuggling in Canada. The phrase combating cigarette smuggling in Canada is a bit facetious. When we talk about combating smuggling, an illegal act that involves breaking the law, we would automatically assume we are talking about law enforcement.

As we have clearly seen in this session of Parliament the government opposite is not interested in talking about real law enforcement. I would like to talk for 20 minutes on ways to enforce the laws of the country, but unfortunately it would fall on deaf ears on the other side of the House. Instead of talking about law enforcement, which should have been the thrust of combating the smuggling, I want to talk reluctantly about the health crisis the bill will create.

As I look across the floor and hear the truce from this side of the House it reminds me of a verse I learned in Sunday school. I am not a biblical scholar, but it was something to the effect that the devil shall flee from the truth. When I see the benches opposite emptying as Reform Party members on this side speak the truth about the bill, I am wondering whether my teacher did not have some application in mind for today.

I am going to talk about the health consequences of the bill. I would like to address my remarks to some specific areas of the

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bill which I believe display the government's sheer callousness when it concerns the health of Canadians. Specifically the bill reduces federal tax on cigarettes. It makes cigarettes cheaper. There is no doubt in my mind and in the minds of right thinking Canadians that lower prices on cigarettes creates more smokers. That is undeniable no matter what the government opposite says. In particular it encourages smoking.

(1240)

Mr. Speller: Mr. Speaker, I rise on a point of order. The hon. member suggested our benches were empty on this side of the House. He might look at his side of the House.

The Acting Speaker (Mr. Kilger): Order. I do not believe the hon. member has a point of order. Certainly it might be a matter of debate for another time and place.

Mr. Harris: Mr. Speaker, I would be happy to debate the truth of how the country should be run with any member or members opposite any time they want.

I believe the bill will create more smokers because of the lower cost of cigarettes. In particular it will target and encourage younger smokers, people who have never smoked before, to begin to smoke because now the cost is so affordable. All this will create a huge demand on the already strained health care crisis in our country.

The government sought to battle smugglers at the expense of the health of its citizens. There is no doubt about that in the bill. It should have been looking at stricter ways to enforce the laws against smuggling. That is where the answer lies. It is not in trying to go into competition with the smugglers by selling cheaper cigarettes than they can.

With the introduction of the bill the government simply acquiesced to smugglers and is now trying to undercut their pricing. This is a shameful way to deal with law breakers. The government should be ashamed of itself. Without an attempt at stricter enforcement the government has now entered into competition with the smugglers. What a fine way to uphold the criminal justice system in the country: go into competition with smugglers.

I could give a few examples. If that is the way the government is going to treat people who break the law, by going into competition with them by offering a cheaper price, it could really get carried away. I will not cite some of the instances we talked about earlier.

No one disputes the fact we had a serious problem with respect to contraband cigarettes. It was a big problem. In 1981, 1 in 176 packs of cigarettes were smuggled into Canada. By 1992 that number had risen to 1 in 6 packages. We had a problem.

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It is estimated that smuggling represented a yearly loss to Canadian retailers of some \$1.2 billion. The government should have been looking into tougher laws and increased enforcement of those laws rather than going into competition with the smugglers. People looking at this action from afar would say that the government was dealing with law breakers and would expect that it would enforce the laws. However the government lowered the price of cigarettes and went into competition with them. Those people would have to scratch their heads and ask what is going on down there.

The government talks about the cost of enforcing the law and asks why the Reform Party is going off on tirades about spending more money on law enforcement. As a matter of fact the Reform Party has always advocated increased spending in law enforcement areas. We have always advocated that and we always will. The government would like to cut back and take a more middle of the road approach or it is society's fault approach to it. Canadians are demanding that we get tougher on people who break the laws.

At present some provinces have chosen not to reduce any provincial tax on cigarettes. What has happened? It has resulted in the creation of smuggling within Canada. We have taken one problem, smuggling between the U.S.A. and Canada, and have created another. Now a package of cigarettes can be bought in Ontario for about \$2. They still cost \$6 or \$7 in B.C. This is sort of free enterprise, but it is against the law and the government created it with Bill C-32. The bill does nothing to stop interprovincial cigarette smuggling.

(1245)

It proposes that interprovincial smugglers will be susceptible to a tax penalty of three times the excess tax avoided. This is only a slap on the wrist. Interprovincial smugglers with this kind of penalty are still making a fortune in what they are doing.

Such a penalty is of little significance to these people and would impact little, if any, on the profit margins of smugglers shipping cigarettes from Ontario or Quebec to western Canada. I return to my previous point that the lack of resolve of this government to enforce the laws of the land has led to a government attempting to make its cigarette prices appear more attractive than those of the smuggled cigarettes.

This strategy founded on the reduction of the tax on tobacco will ultimately lead to an increase in the numbers of smokers in Canada and a subsequent increase in the number of Canadians hospitalized for smoking related illnesses.

Of particular concern to me are the number of adolescent smokers who are going to be created as a result of the implementation of the government strategy in this regard. Even before the reduction of cigarette taxes, some studies have shown that the number of teens taking up smoking is on the rise for a number of reasons, peer pressure probably being one of the biggest causes.

In 1991 statistics showed that 120,000 children and adolescents began to smoke for the first time. With cigarettes selling for \$2 and some cents a package in the stores and being available to adolescents, let us not be fooled about the corner store penalties that this government is talking about.

If these adolescents want cigarettes, they will get them, believe me. At \$2 a package it makes it all the more attractive for them to buy.

In 1994 the number of adolescents smoking for the first time is going to rise dramatically. Despite the anti-smoking advertising campaigns that the government has talked about, this year the Minister of Health admitted in the House that the government's anti-smoking advertisements targeted at adolescents were not working.

Bill C-32 works in direct contradiction to the Tobacco Sales to Young Persons Act which serves to protect the health of young persons by restricting their access to tobacco in light of the risks associated with the use of tobacco. What a contrast in thought and deed.

On the one hand, the government is saying that it wants to protect the health of young persons regarding the use of tobacco and yet it lowers the price of cigarettes by taking the tax off and making them around \$2 a package. It is certainly a contrast.

With these new tax measures, young people will now have greater access to tobacco products because of the cheaper price. There is no doubt about that.

As well, in June 1993 the Department of Finance reported that with respect to cigarettes teenagers are more sensitive to price changes than adults. Further, in 1991 the Department of Health began a program known as the national strategy to reduce tobacco use.

This program started with the premise that tax on tobacco products was a crucial element of reducing tobacco use. In other words, the higher the price, the lower the use. It was a deterrent.

Here again, as we have seen the government's attitude toward criminal justice and law enforcement, this government does not know the meaning of deterrents. Why would it be likely to understand the reasoning of this statement using tobacco tax as a deterrent?

The Minister of Finance is moving a bill that would see the reduction of taxes on cigarettes, a move that will dramatically increase the number of teenage smokers in this country. This bill promotes more smokers, particularly younger ones, and creates substantial increases in health care costs for the future.

It is estimated that 38,000 Canadians die as a result of smoking related diseases.

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(1250)

To help offset the criticism of promoting tobacco by lowering taxes the government has introduced this health promotion surtax on tobacco manufacturers and it will raise about \$185 million a year. It is supposed to go toward advertising to deter adolescents from smoking. This is wonderful. It takes a billion dollars off the cigarette taxes and encourages young people to smoke because they are now more affordable and now it puts \$185 million back into combating the problem it is creating with lowering the price of cigarettes.

Someone said in this House a few weeks ago that it is like trying to bail out the Titanic with a teacup. This surtax will only apply until 1997. What is it going to do then? Is it going to raise the cigarette taxes back up and create the smuggling problem?

Through Bill C-32 the government promotes the use of highly addictive substances and then as an afterthought creates a tiny program to remove people's addiction to that substance.

It is interesting to note in the red book, the infamous red book, in relation to health care the Liberals promised: "Our approach to problems in our country will be based on our values". I shudder to think that the values of the Liberals are demonstrated in Bill C-32. If their values and their attitude toward health care in this country are demonstrated in Bill C-32, this country is in deep trouble. This is a sad commentary considering the implication Bill C-32 will have on our already strained health care system.

Even within my own riding there are examples of people waiting months and years for needed operations. The health care system has had cutbacks. What is going to happen with the increase in tobacco related illnesses? It is going to swell the lines of people waiting for health care and it is going to create an even bigger backlog to our already strained health care system.

This will be the legacy of this government's action in reducing tobacco taxes; the legacy of a health care system that is going to be far worse than what we are experiencing currently. This will be the legacy of Bill C-32 which this government is trying to put through this House.

The government should have been looking for alternate ways to curb the smuggling of cigarettes. We suggested, but obviously the tobacco lobbyists got to the government first, why not a higher export tax? Why not put on a \$22 a carton export tax on cigarettes and raise the price south of the border so they could not be sold cheaper in Canada. No, the lobbyists for the tobacco industry were at work and they got to the people in the government who were making that decision.

An hon. member: At the very time the U.S. is trying to raise taxes.

Mr. Harris: They could have got the \$8 a carton. Big deal, \$8 a carton. They take \$20 off the price of a carton in Canada and add \$8 south of the border—such a deal, that really makes a huge impact.

The U.S. was willing to co-operate with Canadians on this one too but it ignored it. We know why it ignored it. I hope that this new lobbying legislation is going to be effective because we have just seen an example of what happens when lobbyists are not controlled in this country. You can bet that the tobacco lobbyists got to this government before it came up with Bill C-32.

If it had imposed a larger export tax on cigarettes this would have thwarted the ability of smugglers to buy the cigarettes at a cheaper price south of the border, bring them back to Canada and make a tonne of money on them. No, they would not do that. They will not enforce the laws and they will not stand up to the powerful lobbyists who support this party with their influence—I was going to say money, but they would never admit that.

Back in 1992 the government of the day did establish an export tax but it was withdrawn a few months later because of pressure brought to the previous government by the tobacco lobbyists. I would like to meet some of these guys. They must be awful big and walk with clubs because they have a lot of influence on these people across here and they had a lot of influence on the previous government. The magnitude of the smuggling problem today I believe with a little more resolve the government could have stood firm on such attacks. I welcome the hon. member back to hear the truth.

(1255)

If the government had increased the export tax on cigarettes it would have allowed us to maintain high taxes on tobacco products, discouraging the increase in smoking and reducing the possibility that our hospitals would become unworkable as those with smoking related diseases clog the system.

In league with this strategy the government could also attempt to convince the administration of the United States that higher taxes are in the interest of Canadian and U.S. citizens when it comes to tobacco products. Some of our contraband cigarettes are American made. Higher U.S. taxes coupled with our own export tax would present a significant deterrent to the smuggling problem that confronted this government and which it failed miserably on.

If this government is serious about its concerns over the health care of Canadians it would not in any way be implementing Bill C-32. It never would have come up with this. That is evident because of the questioning we have had to the health minister in the past who simply cannot give us any answers about the future health care system. Why should we expect that the government would be serious about health care concerning Bill C-32?

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Studies have shown that lower prices mean more younger smokers, more of the population affected by smoking related diseases. It all adds up to increased health care costs which mean increased taxes for Canadians in the future. It is the taxpayer of this country who is going to have to pay for these increased health care costs.

To a government that has said it would love to reduce taxes in this country, if this is an example of it, again, this country is in a lot of trouble and the Canadian taxpayer under this government is going to see tax freedom day go from about June to three or four weeks later by the time this government is through with its term.

If this is how the government proposes to combat cigarette smuggling, the Reform Party and I must defiantly oppose it.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I must say as respectfully as I can to the Chair that I have never heard such nonsense.

It is absolutely shameful that a member would chose to make statements such as the ones he has just made in opposition to things that he knows or that he should know. He has indicated today, as he said a few days ago in this House, that he was advocating a military operation to patrol the border between Canada and the United States and an invasion of Akwesasne, a part of my riding.

Those were propositions that same member made last week. I say to all other members of his party that when all of them support the vote this member will take today, that is the proposition they are following. That is exactly what they are standing for like him.

I invite all of them who are reasonable—

Mr. Ramsay: Do not shout.

Mr. Boudria: The member may think I should shut up, but the constituents of Glengarry—Prescott—Russell where a lot of this contraband is going on have asked me to be here. They elected me.

No, I will not shut up, particularly on this issue while my constituents are being shot at, while people like those I have just heard are pontificating from afar. No, I will not shut up. I will not stop defending the constituents of Glengarry—Prescott—Russell.

I say to the member across, if he is advocating and it is the Reform Party position that those who speak on behalf of their constituents should shut up, I am glad to hear it on the record. It will make for great stuff in the next election if that is the position of the Reform Party.

I come back to the member's statement, he who is advocating higher taxes. It is a radical position for the Reform Party, I must say, but if he espouses that position I suppose it indicates that there are free votes across the way. There will probably be a few

more who think otherwise. He said that some contraband cigarettes were made in the United States. He also said that increasing taxes in the United States at the same time as increasing taxes in Canada would solve the problem.

(1300)

First, it takes two years to get a tax increase through the United States Senate. I am sure the member knows that because it was indicated last fall.

Second, does the member know that the cigarettes illegally manufactured in the United States would not have been taxed to start with because they were illegal? There was a 7 per cent and growing penetration of counterfeit cigarettes. Those cigarettes bore Canadian brand names and were made in warehouses, some located in Canada, some in the United States, some in New York state, some in southeast Asia and some in eastern Europe. If the member paid any attention to what was said last week in this House surely he would know that.

Does he not know that what he is saying today would not work and that my constituents would have continued to be shot at by thugs? Does he not care?

Mr. Harris: Mr. Speaker, it appears the member opposite wants to get into a shouting contest. I am for that if he wants to do that. When I was talking about considering the military I was talking about enforcing the law.

The member talks so piously about protecting his constituents. That member's government has turned its back on law enforcement. The RCMP clearly defined the areas of smuggling to the government. Unfortunately those areas happened to be primarily on reserve land on the border between the U.S. and Canada, but this government has a hands off policy for the reserves. If there is criminal activity anywhere in this country it should be addressed to the full extent of the law. Apparently this government has special areas where it does not want to enforce the law. I wonder what the reason is for that.

The government says it does not have enough money to patrol the areas of cigarette smuggling. That is the excuse it uses. It says: "You in the Reform Party are talking about spending money for law enforcement". We would be prepared to do that.

I suggested to the hon. member last week on the same subject that if the government does not have enough money to put more police officers in that area, then why not use the military? The government is having a problem in defining the role for the military. I was not talking about a military invasion. I was talking about orderly patrol to stop smugglers from coming across the border. There is a whole lot of difference between that and sending in the tanks and the bazookas that the hon. member is talking about. He tends to continue to blow things out of proportion, but we can disseminate the verbiage coming from the other side.

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I talked about higher export taxes on cigarettes. I support that. I will stand by that proposition. I believe that instead of lowering the taxes on cigarettes in Canada to combat smuggling the government should have made the price of the product at the source more expensive so there would not be such a huge profit margin. I know the government could have received the co-operation of the United States.

It all goes back to whether this government has any backbone to enforce the laws that currently exist in Canada. The answer to that is no. It has chosen a back door method which is going to cause considerably more problems to Canada's health care system, instead of standing up and enforcing the laws like it should have. This government has no guts when it comes to enforcing the law. We will not see it in the next four years no matter what the justice minister says. This is evidence of what is to come.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I too am somewhat amazed that the Reform Party is supporting high taxes.

Mr. Boudria: And military invasions of Indian reserves.

Mr. Speller: And military invasions, whatever. However, I want to say to the hon. member who talks about enforcement of laws, before he came out with his proposal I am wondering whether or not he talked to the RCMP to see how feasible it was.

(1305)

We did and the RCMP told us that this problem had grown so far out of proportion and had become so big that a million people could have been put out there to enforce it and the problem still would not have been resolved.

In fact we had to go beyond that. We took the common sense approach and attacked it from both ends. We said we were going to have to do more enforcement. We were going to have to make sure the penalties were increased. We were going to have to nip it in the bud and make sure the incentive to smuggle was not there. That is why we dropped the taxes.

In terms of lobbyists and the export tax I am surprised the Reform Party would support an export tax. All an export tax does is export Canadian jobs to the United States. That is very clear and that is why the Tories in the last government got rid of that export tax. They realized it would just export jobs to the United States taken by itself.

The lobbyists he talks about who lobbied against it were the Canadian farmers. They were the farmers. They were the people of the soil who came to government through me and lobbied very strongly against that aspect. They were the ones who lobbied very strongly for this tax decrease. They won that battle, not because they had high paid lobbyists on their behalf but because they had members of Parliament who listened to their concerns.

Mr. Harris: Mr. Speaker, I will try to settle down a little bit here. This member has such a nice tone to his voice I cannot see any point in arguing with him.

I would like to point out that his statement about the cigarette smuggling was so far out of proportion it was almost impossible to control. I would like to humbly suggest that if this government had reacted when cigarette smuggling was in its infancy and the problem was much smaller, we would not have had a problem that was so far out of proportion.

The present government will say it started in the previous government. Undoubtedly it did and the previous government failed to address it as well. But when this government took over in October, the problem was not as large as it was later on in the season. The government had the opportunity back then when it first took over. It knew about the problem and could have done something then. It did not and the problem grew. What does it do? It goes into competition with the cigarette smugglers trying to put them out of business. That is not the way to run a railroad or a country.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, I am delighted to add a few words to this very important debate.

I am going to be speaking in opposition to the bill specifically to that part which deals with the excise tax on cigarettes. This is an omnibus bill. It includes quite a number of other issues most of which make sense and if they were separated I would support.

I do have to acknowledge at the beginning of my dissertation that the Liberal government of the day did not start this mess, they inherited it. My objection is how they handled the mess they inherited. We acknowledge the fact it was the Conservative government that did not have the backbone to deal with the problem when it was a small one so it became a big problem.

This extremely difficult problem was exacerbated by the fact that day after day Bloc Quebecois members would stand in this House and deride the government for doing nothing about this, all the while raising the temperature of the whole debate. This put it on the front pages of every newspaper and raised the ante, forcing the government hand to react. It had to do something. On balance the necessity to do something caused the government to come up with half a loaf.

The Conservative government when confronted with this dilemma said it would put an export tax on a carton of cigarettes, thereby taking the profit out of smuggling. It put an export tax on of about \$8 a carton. Shortly after that the tobacco industry told the government that if it did not remove the export tax the industry would export itself south of the border. Canadian producers would lose their jobs and Canadian manufacturing workers would lose their jobs. The net result would be net, net, net losses to Canada.

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(1310)

The Conservative government of the day said to the tobacco industry: "You have been pretty responsible in everything you have done to date so we will take you at your word. We will reduce the tax. We will take it off and we will expect you to be self-policing". What a brainwave that was. It showed once again how brain dead the Conservatives were. The net result was that tobacco smuggling took on unprecedented proportions as the price of cigarettes went up.

There are products which have nothing to do with cigarettes that we in Canada pay a particularly high price for. Milk, eggs, cheese, butter, and chickens: All of these products are protected by marketing boards. As a result, Canadians pay a higher price than the Americans for these products. What do you suppose would happen if we started selling chickens out of the back of a truck in a shopping mall? Within about 30 seconds we would be in the hoosegow.

What is the difference between selling chickens we are paying too much for, or selling eggs we are paying too much for, or cheese, or butter, and selling cigarettes? The difference is that the cigarettes were coming through a reserve. There had been a very tense and difficult time a few years earlier in that same area. No one wanted to ruffle any feathers. Therefore the laws of Canada were not enforced.

The situation is that a noxious product which is highly addictive, and most addictive to young people, is made far more affordable to the very people most susceptible to the noxious aspects of the product.

There is a direct correlation between price and consumption. It is called price elasticity. It is a fact of life in marketing that is well known and well documented the world over: the lower the price, the higher the consumption; the higher the price, the lower the consumption. That is an irrefutable, indisputable fact. What do we accomplish if we lower the price of this noxious weed by half? We make it far more affordable, far more usable by the very people we do not want to become addicted.

I would like to quote some information from the Canadian Cancer Society. It has gleaned these statistics from Statistics Canada. Speaking to the issue of tobacco taxes and consumption: "The retail price of tobacco increased dramatically in the 1980s as federal and provincial governments increased tobacco tax rates. This led to an unprecedented decline in consumption, even factoring in contraband sales".

As an indication of exactly what happened from about 1980 to 1992, in 1980 the per capita consumption of cigarettes in Canada was 2,900 cigarettes. In 1992, as a direct result of increased cost

and even factoring in the sale of contraband cigarettes, the consumption was down to 1,500 cigarettes per capita, almost half. It was a reduction of almost 50 per cent.

(1315)

What led to this? There were other things which we will get to that led to this. The primary reason was because cigarettes were pricing themselves out of the market as a direct result of the taxes imposed by governments for the specific purpose of reducing consumption. The decline was even more dramatic among teenagers. Between 1979 and 1991 the percentage of Canadians aged 15 to 19 who reported they were smokers declined from 46.5 per cent to 22 per cent, more than a 50 per cent reduction in the number of teenagers who smoked.

The federal government acknowledges the effect taxation can have on smoking among youth. Then finance minister Michael Wilson stated in his 1991 budget that studies show tobacco taxes are particularly important in discouraging younger Canadians from smoking. As a result of the tax increases included over those years, it is estimated that there will be 100,000 fewer teenaged smokers as a result.

We do not even know what the cumulative effect is of this reduction of cigarette smoking at the teenage years, but just imagine what it is later in life. Because it is a statistically proven fact that where you have a home where both parents or one parent smokes, the incidence of children smoking is significantly higher. We have a cumulative effect of the reduction of people smoking, particularly adults and teenagers.

Clearly tobacco tax increases in and of themselves are not the only reason for the reduction in consumption. The ban on tobacco advertising, improved health warnings on cigarette packages, public education and the increased restriction of smoking in workplaces and public places have all contributed to the decline. The measures act synergistically, together.

If you remove the single most important impediment to cigarette smoking, price, what does it do to all the rest of them? Then you come in and say: "My goodness, what are we going to do? Let us go to plain packaging on cigarettes".

Plain packaging on cigarettes is not going to hurt, it is going to help in preventing cigarette companies being able to market and merchandise their product. When you decrease the price that much everything else that we do is just whistling in the wind. If we as a nation have decided that to reduce smoking, particularly among the young, is an important national objective, then we must pursue that at all costs. Those tobacco farmers who are impacted by that must accept the fact that the industry is changing and that we will require fewer tobacco farmers in the

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future. To my knowledge, the industry was very much aware of that and many tobacco farmers were converting to other crops.

Just because we have people in Canada manufacturing a product which is known to cause almost 40,000 deaths per year due to lung cancer, more than the combined deaths of AIDS, traffic accidents, suicides and everything else put together, why should we put the concerns of those farmers who know the writing is on the wall ahead of the health of the country as a whole?

The government is talking about imposing gun controls on the nation, little realizing that every time someone puts a cigarette in their mouth they are playing Russian roulette with their lives and the lives of everyone around them through secondhand noxious smoke. There is a hypocrisy here.

This essentially is a law and order issue. If we accept the rationale that because we have lawlessness we must therefore reduce the impediment for Canadians to obey the law, if it is non-enforceable then change the law, then maybe we could carry the same logic to removing speed limits. Then we would not have anybody breaking the law by speeding.

(1320)

If the law is wrong, then it either should not have been written in the first place or it needs to be changed so that Canadians do not feel a sense of dislocation with the law makers who actually promulgate the laws in the first place. If we as law makers promulgate laws that will not be adhered to or are afraid to enforce laws that are on the books, that brings the very notion of law abiding citizens and the responsibility for obeying the law into disrepute. One leads to another.

We wonder why we have lawlessness in our society. We wonder why we have a rash of the perception and the reality of lawlessness in our young people. If we as law makers do not set the example by saying: "Look, this is the law. We are all going to obey it. It is the same law for everyone, no matter who you are and where you live in the country", why should anyone obey the laws except those laws that they agree with?

As I bring this to a conclusion, I would like to make a couple of suggestions. We in Canada might consider the experience of Italy which had a problem similar to ours. If I may I will read this: "The Canadian government might be wise to copycat the Italian example to deal with smuggling. In Italy to prevent tobacco companies from selling cigarettes to the contraband market the government threatened to suspend all legitimate sales of the brand particular to that company until the illegal tobacco products were no longer being sold to the contraband market".

That is coming down hard on those very tobacco producers who said that they were going to be self-policing. We could do the same thing and give them another nudge. This would effectively deal with the contraband problem and would not in

any way conflict with the charter or with any of our trade agreements.

The government is in a very difficult position on this bill, between a rock and a hard place. It was confronted with the problem of the lawlessness that was going on when it took office. It was compounded by the antics of the Bloc in raising the issue to a fever pitch and by the support of people in government to those who are breaking the law by selling contraband cigarettes or turning a blind eye.

It had to be dealt with before it got totally out of hand. To give credit where credit is due, it did deal with it. Now the problem is going to be what will this government do to pick up the pieces.

Will this government by the end of its mandate return tobacco taxes to their original level whether as excise or however it does it? Will this government when that time occurs ensure that those who would sell contraband tobacco and break the laws of Canada no matter where they live would be punished? When this occasion arises with this product or with any other illegal contraband product, will the government turn a blind eye? Will it have an ostrich attitude and pretend the problem does not exist until it becomes a problem that cannot be handled by enforcing the law and therefore change the law in order to accommodate lawlessness, the law breakers and the tobacco companies? That is where the shame lies in this law.

(1325)

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, I took interest in the hon. member's statements on this issue. I thank the hon. member for his statements. They were very interesting. I will make sure that my constituents, the farmers in my area, hear those statements because I think it is important for them to know where the Reform Party stands on this issue.

I am somewhat concerned about the fact that the Reform Party is saying that this government should not listen to tobacco farmers because they are producing a product that the Reform Party does not like.

I will go back and give a little history on this. I know hon. members across will be interested in this. These farmers got into this a number of years ago actually because of the support of government. The government encouraged them to go into these lands and grow tobacco. Many of these farmers have been there for generations. It is not easy just picking up and moving to another commodity, moving into another group.

One may be able to do that in western Canada but their critic for agriculture would realize that it takes a big cost just changing from one commodity to another. We just cannot turn tobacco farmers into another type of farmer. These farms are on average about 85 acre farms. Yes, some of them have diversified. Some of them have gone into ginseng, horticulture crops and some other crops. In fact over the last 10 years we have seen half of the farmers go, but a lot of them could not do that. They ended up on unemployment lines or welfare because there are not a lot of alternatives. One cannot turn an 85 acre farm into

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just another thriving farm. The alternatives just are not there. There are not a lot of other crops frankly that can grow in those areas other than tobacco and certain crops. They were encouraged to go into other crops. In fact those markets flooded. There was not a lot of opportunity to sell the produce that they had worked so hard for.

These families have been there, as I said, for generations and do not know how to farm in a lot of other areas. It is not easy to do it. Governments in the past have tried but frankly they have failed in a lot of different areas. We have seen a lot of the pressures that many families have. We have seen a very dramatic increase in suicides in my area because the troubles have been very difficult for tobacco farmers. We just cannot say that on two points they can all of a sudden move into other areas because the opportunities are not there.

We cannot say that governments should not listen seriously to the concerns of these farmers because first and foremost the government encouraged them to get in there and, second, they are human beings and Canadians and people and they should be listened to.

The hon. member talked about Italy. I know that came from one of the anti-smoking groups. It put something like that out. It is a little different here. The licences under which tobacco companies manufacture are not Canadian. They are international. They can easily take that Virginia flue cured tobacco, grow that same tobacco in the United States and easily export those manufactured cigarettes to Canada. There are no trade rules in the world that a country could bring in to stop that.

It is a very, very easy process for them to take their business south, leaving Canada. Who would lose? The thousands and thousands of Canadian people who work in that industry and the Canadian tobacco producers, the 1,200 families in those communities, help support small town and rural southwestern Ontario and in other parts of this country. It is not that easy to do that. It is just not easy to say: "Okay, there is a solution in Italy and they solved it". It is a lot more complex than the member suggests.

(1330)

There was a problem, it existed and I thank the hon. member for outlining that but we had to do something about it. There was not any easy solution. As the hon. member knows, sometimes before you get elected when you run through campaigns you have all the answers but when you get in here and you face the realities of governing and you face the realities of trying to solve some of these complex problems, trying to deal with the complexities of this country and the different interests involved, and at the same time trying to listen to Canadians and trying to

make sure that what you are doing represents their views, it is not always easy.

We saw a problem. We wanted to make sure that smuggling problem stopped, that the whole underground economy came under control because we felt that was a serious problem and we felt that the only way to do it was to bring in legislation like this and to take a multi-faceted approach to the problem. There is not one solution to this problem, Mr. Speaker, as you know, coming from the area that you do. You have dealt with this problem over the years. The problem did not start on October 26. The problem was there for a number of years. We knew about it. We worked on it and I thought we reacted pretty quickly toward solving the problem.

Mr. McClelland: Mr. Speaker, I thank my colleague for his observations from across the aisle.

I do acknowledge how difficult it is for a farmer or for anyone else for that matter when they see their livelihood changing in front of their eyes and they have to retool their lives in order to accommodate changing circumstances.

This does not happen exclusively in the agricultural industry. It happens all across the nation. It has happened in Ontario particularly over these last four or five years as all aspects of Canadian manufacturing, particularly that in Ontario, have been struggling to retool over these last few years. We find that as we go down the path of life sometimes the road changes, the path changes, and we have to change with it.

The hon. member mentioned that over 50 per cent of the people previously engaged in farming, tobacco farming, are no longer doing so because they recognize that this is an industry at least in Canada that has a sunset. Smoking is less and less socially acceptable and it will eventually be banned virtually everywhere except outside because people who are the victims of cigarette smoking, the unintended victims through second hand smoke, will not tolerate it anymore. You cannot for instance smoke in the precincts of Parliament Hill or any federal government building.

The Alberta government has legislation before it today to ban smoking in any public place, including the workplace. If you are in California you can hardly even smoke outside which begs the question why on earth are we so upset about the noxious fumes from car exhaust when we are walking around inhaling them?

I recognize my hon. colleague's concern for his constituents or any farmer, particularly the tobacco farmers who are living with the imminent demise of their industry. Make no mistake, it may not happen this year, it may not happen next year, but it will happen. These people are going to have to convert their livelihood. It is no longer socially acceptable in Canada to smoke.

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If I were a banker I would not spend a whole lot of time figuring out a loan to allow anybody to get into the tobacco business even given this setback to the anti-smoking people in Canada.

I do recognize how difficult it is for those who are faced with the imminent change in their lives driven by this and it is a generational thing.

To my hon. colleague, I am cognizant of the problems he raises and I have sympathy for the people who must make those life decisions as farmers. They are decisions they must face and they must be prepared to make them.

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I stand before you in a very grave fashion to speak on Bill C-32, the act to amend the Excise Tax Act, the Excise Act and the Income Tax Act.

(1335)

This reduction in taxes to cigarettes is the single most disastrous act of sabotage to the health of the Canadian people which has ever been enacted by any government in the history of this country. This is not an understatement. Smoking kills at least 26,000 individuals per year.

The lowering of taxes committed thousands of youth in this country to smoke per year, ones who would not normally do that, and results in a dramatic increase in consumption.

I have some data that just came out from the Addiction Research Foundation. There was, as has been said before, a long term decline in tobacco use but this stopped in 1994. Smoking in Ontario increased in the few short months that the tobacco taxes have decreased from 22 per cent to 26 per cent.

Among women that increase is particularly dramatic. It has gone from 19 per cent to 25 per cent in the last four months. A 10 per cent decrease in cost results in a 14 per cent increase in consumption particularly among the youth and an 8 per cent increase in consumption among the rest of the adult population.

Some say that this decline in tobacco taxes has resulted in at least 800,000 new smokers in this country, of whom 175,000 are youth. These numbers translate on a personal basis to disasters that I cannot tell members enough about. They result in often fatal diseases such as lung cancer, heart disease and a myriad of other malignancies.

They result in lives lost and the untold pain and suffering by people who are afflicted by these diseases and also to the families and friends of the loved ones who unfortunately succumb to these diseases.

To put it in more impersonal terms, the decrease in tobacco consumption will cause a decrease in gross domestic product and increase in medical costs. Nobody has ever been able to show us the increase in costs that is going to result from the decline in tobacco taxes.

I can tell members from working as a health care professional that the cost to our system is in the billions of dollars. In 1982 the cost of tobacco consumption in this country was \$7 billion, or \$2 billion more than the total expenditures on tobacco including the taxes.

A decrease in consumption would decrease revenues from tobacco taxes, this is true, but it will greatly decrease the cost to the taxpayers of this country by decreasing health costs and also to avoid the loss in gross domestic product from job losses and a decrease in losses from fires caused by smoking.

The original idea to decrease tobacco taxes came as a response to the rampant tobacco smuggling that was occurring between Canada and the United States. I sympathize with the government completely on this issue.

This is occurring especially in central Canada, particularly in the three native reserves, the Kahnawake, Kanasatake and Akwesasne reserves that straddle the border. The decrease in tobacco taxes was also strongly supported and promoted by none other than the Tobacco Manufacturers' Association.

To give an idea of the scope of this problem, at the height of tobacco smuggling there were 35 cartons of cigarettes smuggled into the reserves per person per day, which is an incredible problem.

The natives claim—I do not have any disagreement with this whatsoever—that they have an inherent right to trade across their border. I would not dispute this at all, certainly for their own needs. However, when that trade involves the distribution of a commodity to the rest of Canada which by-passes the laws, results in smuggling and results in the death of Canadians all over this country, native and non-native, I have a big problem with that.

I have no sympathy at all for the people who are involved in it. I believe that this criminal conduct should be dealt with with the full force of the law as it must be dealt with in any part of this country. There has been a great reluctance to deal with this issue head on.

A fear of confrontation permeates the whole situation as much of this activity is with organized crime. Illegal weapons are rampant in the whole situation. I know that this is a dangerous situation but it is also an illegal one. Like it or not, as a cancer in our midst that needs to be eradicated on behalf of all law-abiding citizens in this country, native and non-native alike, we have to deal with this situation and deal with it now.

(1340)

Now that we have defined the problem of rampant smuggling of tobacco products into Canada from the United States, let us look at some constructive solutions that would obviate the need to lower tobacco taxes.

I believe the first and foremost solution which has been proven to work is the export tax. I applaud the government in

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instituting its export tax. In February 1992 the then government instituted a tobacco export tax of \$8. In six weeks it reduced smuggling by 70 per cent. However, under pressure from the tobacco manufacturers, the government of the day caved in and removed it. I applaud this government again for instituting this tax.

I also applaud the investment in education but I would caution this government to spend its money wisely. It is not worthwhile investing money in 30 and 40-year olds who are addicted to tobacco to stop smoking. I would start at the ages of 6, 7 and 8, and please utilize your money carefully in that age group. It will pay off in spades in the long run.

Also, if you are going to institute education in teenagers, which must be done, do not tell them that they are going to get lung cancer 20 years down the road, do not show them a bunch of nerdy teenagers who look like they jumped out of a Rosedale high school playing basketball and turning into cigarettes. Tell them that it will affect their looks, address their vanity, address narcissism, address them on a personal basis. That is the way to address education in teenagers.

Getting back to the enforcement aspect, we must not accept a double standard of law enforcement in Canada, one for natives and one for non-natives. The problem of tobacco smuggling is one that extends far beyond the immediate problem of cigarettes but, as I said before, involves organized crime, the illegal smuggling of drugs, weapons and liquor. It is something that affects not only the reserves but also the rest of Canada. It is everybody's responsibility. Also, it does not serve the law-abiding citizens who live on the reserves. Nobody is addressing that problem at all, nobody is speaking out for them.

It is an affront to the citizens of this country and the people on the reserves this affects. We must provide our enforcement officers with the equipment and training to deal with this problem expeditiously, at any cost. Law is law, you either have it or you do not.

I would also ensure that we have an increase in the penalties for smuggling. Again, I applaud the government in its efforts toward this end. I also urge the judiciary to enforce these laws that have been brought in by the government to the fullest of its abilities.

As I said before, I strongly implore the government to bring the tobacco taxes back where they were prior to February 8. I instituted private member's motion 295 that has been selected, requesting that tobacco taxes be where they were and bring them back to pre-February 8, 1994 levels.

It is interesting to reflect right now on what is happening in the United States. It has instituted taxes and made changes to make it such that tobacco and cigarettes in Canada are now cheaper than in the United States, in Ontario and in Quebec.

I would ask everybody in this House to please reflect carefully on this bill. I ask them to look at their children and look at their grandchildren and think of the tens of thousands of children who are going to be subjected to starting up smoking and who are going to suffer the pain and death of them and their loved ones by taking up this horrible habit.

This bill is reprehensible and we have alternative solutions. We have alternative solutions to address the smuggling issue that are effective, and so there is no need whatsoever for this government to lower the taxes on tobacco.

Bring in these other issues, enforce them to the fullest ability and do not drop the tobacco taxes.

Mr. Bob Speller (Haldimand—Norfolk): Mr. Speaker, a short intervention because I was not quite clear on something. The hon. member came forward with some figures in terms of sales of cigarettes. I think he suggested that smoking was up in the past four months and I am wondering if that was based on sales. It is hard to determine, especially in the smuggling area, actually how many cigarettes people are smoking because they were buying them illegally. We can determine what was being sold either through the retail sector or we can just take a survey and say: "Are you smoking, did you smoke today, did you smoke yesterday, did you smoke a year ago?". That is important because government figures show that production is down and for the companies producing cigarettes the number of products they are producing since this bill came into effect is down. Government figures also suggest that it is down. People are not buying as many cigarettes. The numbers are down.

(1345)

I wonder how that juxtaposes with what the hon. member said about his figures saying more people are smoking. The figures just do not show that.

Mr. Martin (Esquimalt—Juan de Fuca): Mr. Speaker, I thank the member for his question. It brings up some good points.

There are two things. First, consumption globally is up. I do not know what statistics the hon. member is looking at but I would be more than happy to speak with him privately to see what he has. The figures I have show the exact opposite. Global consumption is up, particularly in youth. Youth consumption is up dramatically.

As I said before, in terms of youth smoking it is not plain packaging that is the important issue. Cost is the single most important determining factor in consumption in youth. It affects how much they smoke and it affects even how many of them are going to start to smoke.

Again, if it is cost we are looking at as the single most important determining factor, it is unthinkable, reprehensible, immoral and unjustifiable for the House to pass a bill that will lower tobacco costs to children and commit tens of thousands of

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them to take up this habit which will ultimately result in a decline in their age, an increase in their mortality and morbidity.

Mr. Jim Abbott (Kootenay East): Mr. Speaker, I have been interested in listening to this debate. As the House has heard there is actually a small debate even within the Reform caucus, as I would suspect there might be within the Liberal caucus and for that matter the BQ.

I find myself to be in a very ambivalent position on this one. It is very difficult. I am looking forward to my colleague being able to assist me with the concept. I suggest we ended up with the taxes as a result of the fact that they were called sin taxes and were on a commodity that people wanted to consume. Therefore for the longest period of time consecutive governments saw it as being a revenue source. After all that is what taxation is. They kept on adding and adding taxes to this particular commodity. As a result we ended up with the situation that we have all acknowledged, the smuggling problem.

When the whole issue was being looked at we also discovered the connection that my colleague from Esquimalt—Juan de Fuca has so ably put forward. We discovered the connection between price and the fact that if the price goes down, then we are undoubtedly going to end up with higher consumption. It is only a straight case of the law of supply and demand.

I have to respect my Reform Party colleague because after all he is a medical practitioner and has seen the results of cancer and other respiratory diseases with respect to this particular product. Undoubtedly I have every respect in the world for the emotion that he brings to this question.

Is it right, is it fair, is it proper to be trying to legislate people's behaviour on the basis of taxation? Is taxation not really a source of revenue and are we not mixing up principles here in trying to legislate people's behaviour by increasing a revenue source? It does not seem like quite a match there. Perhaps my colleague could help me.

Mr. Martin (Esquimalt—Juan de Fuca): I thank the hon. member for his question. It brings up a very important philosophical question that has been discussed at length privately.

(1350)

I do not believe Parliament should legislate the behaviour of an adult population. However, we are dealing with legislation that is going to affect children more than anyone else, children who do not have the objectiveness and experience that adults have.

Also, the product that we are talking about is something that is going to affect them in a horrible, detrimental fashion, as my hon. colleague just mentioned a few moments ago. It is going to

kill them. It is going to affect them in horrible ways, in diseases and in morbidity.

Smoking tobacco, a deadly product, is exempt from that because we are dealing with children, as I said before, who cannot make necessarily an objective decision for themselves. The cost is also another issue. We lose revenues by bringing the tobacco costs down. However, on the other hand, the cost to society globally is also very much increased in terms of health costs, fires and loss to gross domestic product.

When people take up cigarette smoking it is not something that only affects them individually. The consequences of their behaviour is something that is borne out by all of us collectively as a society. As a result of that I do think we have a say in the matter as a society and as a House.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, I am here today to address Bill C-32, an act to amend the Excise Tax Act and the Income Tax Act. I will concentrate on the section of Bill C-32 proposing a reduction in tobacco taxes and outline my reasons for opposing this legislation.

There are some other aspects of this bill which I can support and which some Reformers certainly support, but my colleagues have and will continue to touch on these areas and I will leave it to them.

Late June of this year has been declared tax freedom day by the Fraser Institute. From that day forward Canadians will be working for themselves instead of for government. We can all agree that the tax burden on Canadians is too high and I believe that all Canadians are looking for tax relief. However, I question whether Bill C-32 is the way to lower taxes for Canadians.

As a Reformer I want taxes reduced. I want taxes reduced for all Canadians and not just for a select group which is what the effect will be of this bill. I do not think you could find many other pieces of legislation that propose tax reductions, possibly none, that I as a Reformer would not support. However, Bill C-32, in spite of calling for a reduction in taxes, has hit at the very last place that taxes should be reduced.

I would like to talk about the problems with this legislation and later I will talk about, in the Reform tradition, some possible solutions that are better than this legislation.

This legislation has been introduced in an effort to control the problem of smuggling, not with the intention of easing the tax burden. The government refused to control the smuggling problem, particularly in the areas of eastern Ontario and across the U.S.—Quebec border on native reserves. My colleagues have talked about the lack of action on the part of the government in dealing with smuggling across the U.S.—Canada border in the area of certain reserves.

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(1355)

The criminal element of Canada has been allowed to get away with its crime of smuggling because the government is afraid to intervene in any meaningful way. This is wrong. Lowering tobacco taxes may reduce smuggling from the United States and may reduce the smuggling of cigarettes. Smugglers will just turn their efforts to smuggling other commodities.

I would like the government to think about this. If smugglers are limited by this change in smuggling cigarettes—it will possibly have that effect—then what of smuggling liquor, a similar commodity with a high sin tax? What about smuggling narcotics, guns? What action will the government take next when smuggling liquor becomes a major problem, when liquor is being smuggled across the U.S.–Canada border? What action will the government take?

I ask that question and I would certainly hope that members of the governing party will think about it and will answer it for themselves. If this legislation passes, we will certainly all be having to answer this question and not too far down the road. How are we going to deal with the problem of smuggling alcohol? What of narcotics and guns?

We already know to some extent the attitude that the government has in dealing with guns. It is not a healthy approach. It is not the direct approach that we would all like but I will talk about that briefly later when connecting it to this issue.

This legislation does not in any way solve the smuggling problem nor does it set a precedent to deal with any future problems should they arise. If it does set a precedent, then I am more concerned than I am now. If the precedent the government has set in dealing with future smuggling problems is to lower the tax and do anything but deal with that problem head on, then it is a bad precedent. That is another reason we oppose this legislation. Once again, it is an example of government dodging its responsibility.

Bill C-32 will encourage young people to smoke because it makes tobacco products more affordable to them. This is irrefutable and my colleagues and others have talked about this already. It is very clear that the anti-smoking campaign aimed at young smokers has not worked. It has been ineffective. Now that cigarettes have become more affordable, many young people will be taking up smoking.

I would like to relate an experience to the House. I was around 12 years old when my brother and I obtained cigarettes.

Some hon. members: Oh, oh.

Mr. Benoit: I know it is a shame. We went out behind the calf pens. We used to buy these Holstein calves and at chore time, after feeding these calves and dealing with the cows, we would go out there and sneak cigarettes.

I believe the only thing that stopped my brother and me from smoking and from getting caught up in this terrible habit was the cost factor. It was the cost factor that stopped my brother and me from pursuing this terrible habit.

This legislation therefore will be totally ineffective and by lowering the cost of cigarettes to everyone right across the country it will increase the problem of young people smoking. In a study examining the effects of the reduction of tobacco taxes in Canada—

The Speaker: The hon. member will of course have the floor when we resume debate on this bill. 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.

STATEMENTS BY MEMBERS

[English]

THE LATE EDWARD GEORGE MCCULLOUGH

Mr. Bernie Collins (Souris—Moose Mountain): Mr. Speaker, Edward George McCullough passed away peacefully on June 17, 1994 at his Cannington Lake home with his wife Madge by his side.

Ed was born in 1909 in Moose Jaw and grew up and farmed at Ponteix where his parents homesteaded. He and Madge moved to their farm in the Moose Mountains during the 1930s. He farmed there for the rest of his life, enjoying in his words “the most beautiful spot in the world”.

He was keenly interested in politics and served as a CCF member of Parliament for the Souris—Cannington constituency during the 1940s and 1950s. He had a busy and fulfilling life. He was involved in the co-operative movement, the wheat pool and community affairs.

His family and friends were very important to him. He will be remembered kindly by all who knew him. A great Canadian who contributed greatly to his country, we remember Edward George McCullough.

* * *

[Translation]

QUEBEC'S NATIONAL HOLIDAY

Mr. Antoine Dubé (Lévis): Mr. Speaker, June 24 is fast approaching and I would like at this time to extend my best wishes to all Quebecers on their national holiday.

S. O. 31

Over 700 events are scheduled this year for all regions of Quebec. The theme of Quebec's national holiday is "Quand 7 millions de gens" which reflects the fact that this day is for all Quebecers, regardless of their origin.

This theme is also indicative of Quebecers' collective ability to take their future into their own hands.

It should also be noted that June 24 is celebrated by all of Canada's francophones. This day provides them with an opportunity to express their pride in their francophone roots and to show their commitment to preserving their heritage.

May everyone enjoy themselves on June 24.

* * *

[English]

SINGLE PARENTS

Mr. Ray Speaker (Lethbridge): Mr. Speaker, I rise today to recognize an important group in our society, a group which often gets overlooked: single parents. Each of us in this House undoubtedly knows at least one single parent. Indeed, some of us are single parents.

Of all the diverse households in Canada, single parents represent 13 per cent of Canada's families. To me they are much more than a simple number on a statistical chart. As parents they play a crucial role in our society. As single parents their job of raising children is made doubly hard. Not only must they nurture and care for their children in an emotional sense, they must also bear the responsibility of supporting their families financially.

Today I would like to recognize one particular single mother who has accomplished both tasks. When my niece became a single mother she decided she was going to take responsibility for her child. As hard as it was, she found a job and is raising her child to be a responsible young person, active in sports and school. She receives moral support from her immediate and extended family but still values her independence.

I would like to commend her and other single parents today.

* * *

LAUGHTER DAY

Mrs. Beryl Gaffney (Nepean): Mr. Speaker, Laughing Does Matter is an interest group of professionals and volunteers who promote the benefits of laughter in all walks of life.

Thanks to the efforts of Irene Martin and the late Marjorie Mann, June 21 has been declared Laughter Day in Ottawa—Carleton. They are encouraging Parliament to proclaim this date as National Laughter Day.

Laughter tends to bring us together as a community and as a country. Laughter serves as a valuable coping mechanism and

has many physical, psychological and social benefits. Sometimes Canadians need a shot in the arm to help them deal with the realities and uncertainties of job loss, high unemployment or just making ends meet. It is a well-known fact in the health care field that laughter helps dissipate fears, frustrations and anger. It helps people regain the health and energy they need to keep on fighting.

I invite Canadians from coast to coast and my colleagues in the House of Commons to join us in celebrating Laughter Day. Let us all have a good laugh today.

* * *

1999 PAN-AMERICAN GAMES

Mr. David Walker (Winnipeg North Centre): Mr. Speaker, I am rising today in support of the bid by the 1999 Pan-American Bid Committee in Winnipeg to host the 1999 Pan-American Games.

Since Winnipeg was chosen as the Canadian bid city for the 1999 Pan-Am Games the government of Canada and its partners, the province of Manitoba and the city of Winnipeg, have supported the bid both technically and financially. There has been tremendous community support for the hard working committee. This will ensure the setting of a standard of excellence and a very high profile for the Pan-Am Games both in Canada and abroad.

In this bid Winnipeg has also pledged to strive for new heights of excellence in sports and culture while forging a new spirit of international understanding helping to ensure a bright future for the games.

I know all Canadians will join me in wishing the city of Winnipeg every success in its bid for the 1999 Pan-Am Games.

* * *

(1405)

ABORIGINAL SOLIDARITY DAY

Mr. Elijah Harper (Churchill): Today is Aboriginal Solidarity Day, a day when the First Nations of this land take time to commemorate our past and history, our rich culture and heritage.

We are the First Nations. We are many nations. We are a great people. We are a great nation. Greatness is not measured by the material wealth one has. Greatness is measured by how much one gives and how much one shares. This has been demonstrated by the First Nations to the rest of the world. We have been very kind and generous. This has been our greatest strength.

We are not lazy people. By appreciating and understanding, by supporting and recognizing the aboriginal people of this land this country can be a united, stronger and better Canada.

Meegwetch.

S. O. 31

[Translation]

STUDENT EMPLOYMENT

Mrs. Madeleine Dalphond-Guiral (Laval-Centre): Mr. Speaker, summer is now upon us. Thousands of students in need of a job to pay for their education are frantically searching for employment.

I am appealing today to all Quebec and Canadian entrepreneurs who, as our economic leaders, have a social responsibility to provide jobs to a young, hard-working labour force eager to learn. Because they are motivated, student workers can substitute for vacationing employees, lend a hand to businesses and help them meet their everyday needs.

Young people are our future. When businesses adopt an enlightened approach, it is easier for students to gain entry into the labour force and as a result, all of society benefits.

* * *

[English]

GUN CONTROL

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, since the introduction of gun control in 1978 the annual homicide rate in my home province of Saskatchewan has averaged three per 100,000, the same as in adjoining Montana where there are almost no firearms restrictions. Economic and social conditions are parallel and so are the murder rates.

On the other hand, since prohibition days New York state has had the toughest North American gun laws outside of Mexico, yet the murder rate there is five times higher than in Canada. I do not know why, but I suspect the presence of organized crime, widespread drug abuse, racial tension and grinding poverty just might have something to do with it.

Instead of concentrating on the emotional rantings of the Coalition for Gun Control, the Minister of Justice should inform himself by comparing firearms legislation and crime statistics in a wide variety of jurisdictions. Prejudice makes bad law.

* * *

THE FAMILY

Mrs. Elsie Wayne (Saint John): Mr. Speaker, government programs and policies should help preserve and strengthen traditional families. Families are the basic unit of society. A strong family life is important to instilling good moral values and coping with the day to day pressures of living.

When I speak about traditional family values I do not disparage the loving and often heroic efforts of single or divorced parents. Nothing determines the shape of a child's life more

powerfully than his or her values, beliefs and sense of right and wrong. It is the values parents teach their children that will determine a child's fate and our country's future. Families are the instrument through which values and traditions are passed from generation to generation.

As we celebrate the International Year of the Family let us all remember that it is up to each member of Parliament to fight for measures that recognize, promote and protect this traditional institution.

* * *

23RD INTERNATIONAL CHILDREN'S GAMES

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, from June 13 through June 19 Hamilton was the proud host of the 23rd International Children's Games.

Held for the first time outside of Europe, children from 26 countries experienced friendly competition in the spirit of peace, unity and respect for all cultures. These games were the perfect breeding ground for friendship, goodwill and tolerance. The closing ceremony was quite a scene with hundreds of young athletes swapping souvenirs and exchanging goodbyes despite the language barriers.

(1410)

The organizers and volunteers in Hamilton brought prestige and honour to the city. As the games chairman, Colin Millar, so clearly put it: "It has just been a tremendous success".

The Hamilton community has shown its leadership in organizing a colourful, exciting and memorable event. The federal government of Canada has proven its commitment to the Canadian youth, our future, by funding the 23rd International Children's Games in Hamilton.

Congratulations to all the organizers and participants for a job well done.

* * *

BEAT THE STREET

Mr. Bill Graham (Rosedale): Mr. Speaker, there is a literacy program for homeless young people in my riding of Rosedale which has been providing second chances to some of those who are left behind in our society. Beat the Street is a Frontier College program that is giving individuals the skills and self-confidence to get off the street and into school or the job market.

Beat the Street was founded in 1985 by two former street youths who recognized that literacy skills were absolutely essential to get young people off the street. By providing a supportive learning environment where students could find their own goals, the program's tutors are making a difference in the lives of hundreds of Canada's youth.

Beat the Street is now internationally recognized and is the model for two similar programs now operating in Winnipeg and Regina.

Workers and students from Beat the Street were in Ottawa recently to meet with the Prime Minister and individual MPs and Senators. I know all those who spent time with the students were very impressed with their ideas and thoughtfulness.

On behalf of all members of Parliament I salute Beat the Street for all its efforts. I call on the government to support it and all other youth literacy programs.

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[Translation]

127TH ANNIVERSARY OF CONFEDERATION

Mrs. Sue Barnes (London West): Mr. Speaker, on July 1, we will be celebrating Canada's 127th birthday as a political entity. The Fathers of Confederation have given us a country that the United Nations have recently described as ranking first in the world in terms of human development.

Nations world-wide are filled with admiration for Canada, a country that distinguishes itself from others by its linguistic, cultural and regional diversity as well as its wealth of natural resources. I am proud to be living in such a dynamic and tolerant society. It is our duty to us all to remain true to our history and work together to find the compromises that will enable us to build our common future in the respect of our differences.

Long live Canada!

* * *

[English]

CUBA

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, yesterday the Minister of Foreign Affairs announced that Canada is lifting its 16-year policy banning government aid to Cuba. I want to congratulate the government on this important step and urge it to recognize the grave humanitarian needs of the Cuban people particularly in the areas of fuel, power, transport, food and medical goods.

Canada must strongly call for the lifting of the cruel, illegal and inhumane embargo by the United States, an embargo vigorously condemned by the United Nations. Canada should also urge President Clinton to invite President Fidel Castro to the upcoming hemispheric summit later this year.

Finally let me take this opportunity to congratulate the many Canadians who demonstrated their solidarity with the people of Cuba at this difficult time. They have supported caravans of humanitarian aid through Friendships.

S. O. 31

The strength and courage of the Cuban people will see them through this difficult time.

Venceremos.

* * *

[Translation]

CUBA

Mr. Philippe Paré (Louis-Hébert): Mr. Speaker, the Bloc Québécois was pleased to hear that the government had decided to allow CIDA to restore assistance to the people of Cuba. This decision reflects the will of Quebecers and Canadians to help Cubans and shows once again that they are prepared to give generously to the poorest of countries where help is urgently needed.

Non-governmental and humanitarian relief organizations, which must be commended for their excellent work, will have access to CIDA funds to carry out projects to help Cubans affected by food shortage among other things. The Cuban government must however be reminded of our commitment to human rights and democracy, which forms the very basis of our identity on the international scene, as a gesture of solidarity with those who suffer and fight for their democratic rights.

* * *

[English]

CANADIAN BROADCASTING CORPORATION

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, this Liberal government will be seen as the government that presided over the death of the CBC if it fails to act quickly and decisively.

(1415)

The CBC had a heart attack years ago but somebody forgot to tell the government. Continuing to fund the CBC as it is now is like embalming a corpse: you add juice to it but you know it is not going to get any better. What is needed is radical surgery. We need to repair its faltering heart and infuse it with a healthy, vigorous new life.

The Minister of Canadian Heritage has stated publicly that he is in favour of partial privatization of the Canadian Broadcasting Corporation. When will he act on this commitment?

Start the process now. The CBC will not recover right away but when it does it will be leaner and more competitive. It will not do all the things it used to do, but if we are decisive now the CBC will survive in some form.

The Liberal government can continue to embalm the corpse or it can privatize the CBC. What will it be?

*Oral Questions***CORRECTIONS AND CONDITIONAL RELEASE ACT**

Mr. Patrick Gagnon (Bonaventure—Îles-de-la-Madeleine): Mr. Speaker, I rise to comment on the legislation introduced this morning by the solicitor general to amend the Corrections and Conditional Release Act.

The bill contains amendments to improve public safety. It deals in part with a subject of concern to all Canadians: high risk sexual offence. While violent crime in all its forms is intolerable, sexual offences against children are of particular concern. They must be dealt with firmly and effectively. The bill provides the tools to deal more effectively with sexual offenders who victimize children.

Measures introduced today would make it easier to keep these offenders in prison until the end of their sentence. Together with better rehabilitation programs the bill will improve the handling and management of sexual offenders. I look forward to seeing these changes implemented as soon as possible.

* * *

THE ENVIRONMENT

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, Canadians have become more conscious of their responsibility to protect our environment. For my constituents this includes a safe and proper destruction of PCBs.

Currently this is an important issue in the city of London in the county of Middlesex. Full meaningful public involvement is a must in resolving this serious issue. No community must be forced to host a destruction facility against its will.

I commend the government's efforts to make pollution prevention a national goal. I urge the government to improve upon the imperfect plan we have inherited by developing a national program for the destruction of all PCBs in Canada.

ORAL QUESTION PERIOD

[*Translation*]

GOODS AND SERVICES TAX

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, when the Liberal Party was in opposition, it denounced the GST and promised to abolish it once in office. Indeed, the red book included the commitment to replace this tax. Now the report of the Liberals on the finance committee which was made public yesterday shows that the government has decided not only to maintain the GST but to hide it, and confirmed its

intention to apply it to other goods and services, thus taxing consumers more.

After promising during the election campaign to abolish the GST and repeating on May 2 that he would kill this tax, how can the Prime Minister have the nerve today to maintain the GST by hiding it and moreover how can he consider extending it to medicine, health care and food?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, the commitments we made in the red book remain our commitments as a government. We asked a committee of the House of Commons with representatives from the three parties to try to come up with a unanimous proposal for us and they could not agree. The Liberal members on the committee considered four or five different proposals for us; they chose one which is not at all binding on the government. But I would like to thank all members who worked on that committee because their work will help us see the issue a little more clearly.

In any case, I repeat that our commitment remains clear, and I would like to let the Leader of the Opposition know that on April 10, 1990, he voted for the GST and when he resigned on May 22 that year, he assured everyone in the Conservative Party that he would continue to defend the policies which he had the privilege to work on with them.

We received the committee report, but we say that the GST must be replaced by another tax, and we clearly showed in the red book the conditions which must be met to satisfy us.

(1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, I listened carefully to the Prime Minister's answer and he suggests that his government might dissociate itself from the conclusions reached by the members of the Liberal Party on the committee. I will point out that the only members on that committee who proposed maintaining the GST, hiding it and extending it to other sectors such as medicine, for example, are Liberals.

So I ask the Prime Minister if it is true that he does not intend to apply the GST to medicine, health care and food. If that is not his intention, he is in the House today. He should tell us, in front of all of Canada.

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we are committed to consulting the provinces and trying to harmonize taxes with them. I see that the Leader of the Opposition wants me to give him a final answer without consulting anyone at the provincial level. He should make up his mind. Either he wants us to do in all circumstances, as was the case last week, when we were asked to impose a solution concerning interprovincial trade on all provinces and we said, "No, we are taking the time to consult on taxes. We want to harmonize the tax system". I myself talked about it with the Premiers last

Oral Questions

December. Everyone wants harmonization. We are unable to give a final answer. If we did, we would not be a good federal government that likes to consult the provinces.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, it is laughable to hear this government which continually repudiates the will of the provinces tell us today that it wants to hide behind them to do something awful, to tax medicine, health care and food.

I ask the Prime Minister if he realizes that a hidden GST extended to medicine, food and health care can only result in a greater tax burden for low- and middle-income families and for the elderly. How can the Prime Minister today support the idea of taxing such essential goods? What has happened to Liberal convictions?

[*English*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we were very clear in the red book. We said that the system was not functioning well. We forgot to mention in the red book that the Leader of the Opposition voted for the GST. We also forgot to mention in the red book that he promised very solemnly to the Tory Party at that time that he would defend the GST when he got out.

I just want to say that we will consult with the provinces. The Minister of Finance will have his budget next February. We have a lot of time. We will not get excited. We will take all the time to consult with the provinces to find a good solution.

I am still amazed that the Leader of the Opposition is always trying to get at me because I am too nice with the provinces.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, even the Conservatives did not dare to tax food, health care or medicine.

Mr. Bouchard: That is true, not even the Conservatives!

Mr. Loubier: Mr. Speaker, the Liberal report on the GST proposes merging all provincial and federal consumption taxes into a single Canada-wide GST applied on a single tax base and managed by the federal government. Several provincial Premiers have already indicated that this centralizing proposal is totally unacceptable.

Given the rejection expressed by several provinces, including Ontario and Manitoba, does the Prime Minister not realize that his government's plan to integrate provincial sales taxes into the new hidden GST in an underhanded way is going to fail?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have not made any proposal to the provinces yet. So it is a

little premature for the hon. member to conclude that they will reject our proposals. We had a committee which considered several proposals over a six-month period.

(1425)

At least on the Liberal side, they had the wisdom to offer us four or five options, unlike Bloc Québécois and Reform Party members who took the easy way out by washing their hands of the whole thing. After asking us for so long to establish committees before making decision, when we gave them that chance, they ran away because they were afraid of taking responsibilities.

We, however, are not afraid of doing our job. We will meet with provincial governments and make them proposals that we hope they will find helpful, that will eliminate duplication—one of the Bloc Québécois's favourite words. We will try to simplify the system and trust that eventually good judgment and common sense will prevail on this side and in the provinces, but certainly not in the Bloc Québécois.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, the Bloc Québécois's solution is simple: the Prime Minister should keep his word and abolish the GST.

Given the general indignation of the people, who feel deceived by the Liberal government, and the flat rejection by several provinces of this centralizing takeover, does the Prime Minister still intend to negotiate with the provinces on the basis of the Liberal report of the Standing Committee on Finance?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we are going to study this report and see with the provinces how we could proceed to find a better solution for all Canadians.

We intend to be very honest with the people and with them, unlike the hon. member for Gaspé who, on June 9, asked the Speaker of the House to help them hide their true political option by asking the Speaker to the use of the word "separatist" in this House, which is the true option of the members. They are ashamed of their choice.

* * *

[*English*]

THE ECONOMY

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my question is for the Prime Minister.

The stock market index is down by 2 per cent as of noon today. At two o'clock the bank rate was raised to over 7 per cent and the long term bond rate is now almost 3 percentage points above that assumed in the budget documents.

Oral Questions

This implies that lenders and investors continue to lose confidence in the government's ability to meet its deficit cutting projections.

Does the Prime Minister now not agree with his finance minister that further spending reductions beyond those contained in the budget are necessary to meet the government's deficit reduction targets?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, there is no disagreement between the Minister of Finance and me.

The Minister of Finance was so prudent in his projections that he predicted 3 per cent growth and apparently we will have much more than that. The Minister of National Revenue is telling us that the revenues coming into the coffers are better than predicted.

Of course we have to pay more for interest rates. That is a fact. I recognize that. I hope the people of Quebec, when they have occasion to vote in the next few months in the election, will recognize that these people in front of us and the Parti Québécois are trying to destroy the country. There is a price to pay for that.

If Mr. Johnston were to win the election, interest rates would go down. If Mr. Parizeau were to win the election, unfortunately we would have to pay a bigger price for the irresponsibility of the Parti Québécois and the Bloc Québécois.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, the money markets say there are two sources of uncertainty with respect to Canada. One is of course the constitutional question, but the other is the overspending and deficit of the government, the one that the government can do something about.

An interest rate on government bonds of 2 per cent above the rate assumed in the budget implies a deficit increase of \$3.4 billion in the first year and \$5 billion in the second year according to the government's own projections. There is nothing wrong with changing a battle plan that is not working. Will the Prime Minister now order a mini budget containing deeper spending cuts and that it be brought down before the fiscal situation gets worse?

(1430)

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, this party has clearly made a commitment to the Canadian people that we will try to reduce the deficit in relation to the GNP to 3 per cent by the end of the third year. We are reviewing that on a constant basis. We will do what is needed to achieve this goal.

This is not the time to panic. We have more people working in Canada, there is revenue coming in and growth will be higher. We have a problem with the level of interest rates, but as I said in

two, three or four months from now the problem will be easily solved if the people of Quebec decide not to vote for the Parti Québécois.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, defending the status quo, whether it is federalism or the fiscal situation, will not reduce the deficit. If the government intends to meet its deficit targets it has one of two choices. Either it cuts spending more deeply or it increases revenue through tax increases.

I ask the Prime Minister if he is clearly prepared to make additional spending reductions to control the deficit and does this mean that the government is considering additional tax increases as the only other way of meeting those targets?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we said that we will do everything that is needed to meet our goal of 3 per cent of GDP by the end of the third year.

At this moment I will not take the advice of the leader of the Reform Party to start talking about the Constitution. It is not the way to bring stability to the land. What will resolve the problem in this country is for people to realize that we live in a very good country and that we can be prosperous. We are still the envy of the world. A month ago the United Nations said that Canada was number one. Why is the hon. member complaining?

* * *

[Translation]

GOODS AND SERVICES TAX

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, in its report, the Liberal majority on the finance committee recommended full integration of provincial sales taxes with the Liberals' hidden GST, in order to have just one national tax from coast to coast. This proposal would oblige the provinces to comply with federal legislation that would determine administrative procedures and the range of goods subject to GST.

My question is directed to the Minister of Finance. Does he support the approach recommended by the report, which bodes ill for the autonomy of the provinces since fiscal policy would, from now on, be dictated by Ottawa, thus relegating the provinces and Quebec, at best, to the role of branch manager for the federal government?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, from what we have heard publicly from the vast majority of Quebecers, including consumers and the business community, it is clear that they want a harmonized tax. For instance, the Metropolitan Montreal Chamber of Commerce and also the Quebec Chamber of Commerce have already come out in favour of the harmonized tax, as has the Conseil du patronat. My question is this: Why is the Bloc

Quebecois so hostile to the interests of Quebecers and the business community?

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, would the Minister of Finance agree that the Liberals' hidden GST would oblige Quebec to relinquish control over the \$5.7 billion it raises in retail sales tax and that consequently, this is a direct attack on the fiscal autonomy of the provinces, as was stated by the Quebec Minister of Finance?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, I would just like to quote what was said by a Quebecer who testified when the hon. member was sitting on the committee: "The GST should be harmonized with provincial sales tax. The Association manufacturière du Québec is ready to work with the finance committee to identify the potential measures which could lead to greater harmonization. Once those measures are identified, we will be willing to make the necessary representations to the Government of Quebec". This was said by Richard Le Hir, ex-president of the association and now PQ MNA for Iberville.

Some hon. members: Hear, hear!

(1435)

[English]

Mr. Jim Silye (Calgary Centre): Mr. Speaker, my question is to the Deputy Prime Minister. Yesterday the Deputy Prime Minister confirmed that her government would kill the GST and that the Prime Minister would live up to this promise. On October 18, 1993 the Deputy Prime Minister in a CBC town hall stated that if the GST was not abolished under a Liberal government she would resign.

If during the next year Canadians deem that the national value added tax, that very awful tax, the new GST, is just the son of the old GST under a new name and therefore not really abolished, will she still agree to resign?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we will use all the means necessary to keep the Deputy Prime Minister in the House of Commons. Otherwise the spirit of this House would disappear.

I am very surprised to have a question from a party that some months before the election was strongly opposed to the GST and then made a fabulous flip-flop before the campaign to support it. Don't complain. We won't satisfy you, we won't keep it.

Mr. Jim Silye (Calgary Centre): Mr. Speaker, I will complain. I want to know if the Deputy Prime Minister would resign. Why does the Prime Minister stand up on her behalf? She should answer the question.

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Mr. Speaker, listen to these quick quotes: "I would abolish the GST", the finance minister, 1990. "I hate it and I will kill it", the Prime Minister, 1994. "The tax should hit the whole works, from food to pharmaceuticals", the Minister for International Trade, 1989.

Does the Deputy Prime Minister think that Canadians will be that gullible as to believe this new GST really kills and abolishes the old GST? If she would not mind, would she answer the first question as well?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I can answer one question. When I made the statement on the CBC that I would resign if ever we did not live up to our promises, I made that statement in the full confidence that there is one person in this House who will not go back on his word and that is the Prime Minister of Canada.

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[Translation]

MILITARY INTERVENTION IN RWANDA

Mrs. Maud Debien (Laval East): Mr. Speaker, my question is for the Minister of Foreign Affairs. The United Nations Security Council is meeting again today to discuss France's proposal for military intervention in Rwanda.

Through this initiative, France hopes to stop the massacre this week, before the arrival of additional UN peacekeepers. In fact, Canada is preparing to send more soldiers to Rwanda.

Since the situation in Rwanda continues to deteriorate, can the minister tell us when the Canadian contingent of 350 soldiers will be in Rwanda? Also, does the government intend to move quickly to increase its humanitarian assistance efforts in Rwanda?

(1440)

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I am pleased to confirm that Cabinet this morning consented to a request from the Secretary General of the United Nations to send a communications unit of 350 Canadian soldiers to join a United Nations peacekeeping force in Rwanda as quickly as possible.

Obviously, we hope the Secretary General will be able to put together a fairly large force of 3,000, 4,000 or even 5,000 troops in order to restore peace in Rwanda. I can also assure the member that Canada, which has already provided over \$4 million in humanitarian assistance, is poised, along with other countries, to increase its humanitarian assistance to Rwanda as quickly as possible after a ceasefire takes hold.

Mrs. Maud Debien (Laval East): Mr. Speaker, a supplementary question. Before the Canadian peacekeeping contingent and humanitarian assistance get to Rwanda, can the minister tell us

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whether Canada supports the French proposal, currently being debated by the UN Security Council, to send a military strike force to Rwanda?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, Canada's position on this issue is well known. We believe that we must participate as part of the United Nations peacekeeping forces. Consequently, we are more inclined to answer the United Nations' call for peacekeepers than to participate in a military operation.

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[English]

CIGARETTE PACKAGING

Mr. Grant Hill (Macleod): Mr. Speaker, the Standing Committee on Health advised the health minister to wait for studies before she proceeded on plain packaging of cigarettes. Her reaction? A marketing study to design the plain package. Can the health minister explain to all Canadians what a \$300,000 plain package will look like? After all, plain is plain.

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I thank the hon. member for his question because I think it is very important that Canadians realize just what a groundbreaking exercise we have entered in our study of plain packaging.

The in-depth market research project which I asked my department to commission has appointed an independent panel of experts who will look into the effects of packaging on tobacco sales, especially tobacco sales to young people. They will then design a plain package, looking at many issues in terms of looking at the contraband problem, ensuring that the package is not easily reproduced or copied. The same panel will then test market the product to see just how effective this will be.

It is very sad to see a group of people who joke and who laugh when thousands of Canadians every year, 40,000, die as a direct result of smoking. We are committed to doing everything that we can to ensure that as many people as possible do not take up the habit, especially our young people.

Mr. Grant Hill (Macleod): Nice plain answer.

New statistics show that for the first time in 30 years tobacco use is on the rise in Ontario. Among women aged 18 and older smoking soared to 25 per cent this year from 19 per cent in 1993. Will the health minister admit that her all embracing anti-smoking campaign is an abysmal failure?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, we are extremely concerned with the trend of increased smoking

especially where it concerns young women. The trends have been predicted and we have been seeing them coming.

(1445)

We are extremely worried about it. One of the research projects that I am commissioning, not the one we have spoken to previously, is to look at why young women are taking up smoking at such an alarming rate and why women seem to be the ones now smoking more and more. I think it is very important that we look at what is out there making these women take up this terrible habit which will cost our health system millions and millions of dollars and will cost the lives of many people.

Someone I know very well has just been diagnosed with cancer of the lungs. It is extremely sad when a woman in her very productive years suddenly is diagnosed with cancer of the lungs. This is a woman who smoked for many years.

I would like to ensure that no more young women start smoking so that they do not have to face what this person is facing today.

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[Translation]

SOCIAL PROGRAM REFORM

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

Hon. members will recall that because of the opposition expressed by several provinces, Ottawa was forced to cancel at the last minute a federal-provincial meeting on social program reform which had been scheduled for April 18 last.

The Minister of Human Resources Development is preparing to meet one-on-one this week with his provincial counterparts to outline the major components of his social program reform package before convening at their express request a federal-provincial meeting.

Can the minister tell us if the package he will be presenting to the provinces still recommends that unemployment insurance and social assistance programs be merged with a view to establishing a guaranteed minimum income program?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, I was sitting in my seat waiting expectantly for the hon. member to congratulate this government for once again undertaking a major new initiative with the provinces of consultation and co-operation. I know it was an oversight on her part so I am sure she will want to correct that on her second question.

Oral Questions

I can simply say to the hon. member that I do not know where she got that idea. If that is the position of the Bloc Québécois I am sure most Canadians would not want to consider it.

[*Translation*]

Mrs. Francine Lalonde (Mercier): Mr. Speaker, after congratulating the minister for finally agreeing to meet with the provinces, I would like to ask him, in light of all the leaks that have occurred and that have been reported in the newspapers, whether or not he agrees with his Quebec counterpart that an approach involving the merger of unemployment insurance and social assistance programs would be doomed to fail since, according to Quebec's employment minister, "we are talking about two different clienteles which cannot easily be integrated".

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification): Mr. Speaker, once again I provide a word of some caution. The hon. member and other members of the House should not take too seriously what they see as being leaks in the press. As valuable a service as the media provides, it is not always totally accurate as to the intentions of the government.

I can say to the hon. member that one of the reasons we are holding discussions with various provincial ministers is to hear about their proposals and their ideas. I have not had the opportunity to read the comments of my Quebec counterpart, but I would certainly be interested in listening to whatever he has to say.

* * *

VANCOUVER COMMUNITY COLLEGE

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

For the past several years, Vancouver Community College has been one of the largest and most successful providers of language instruction for newcomers to Canada and an exceptional resource in my community offering new immigrants language training, free counselling and the use of its audio and computer labs.

Could the minister explain why the contract with the Vancouver Community College has not been renewed?

Hon. Sergio Marchi (Minister of Citizenship and Immigration): Mr. Speaker, I thank the member for the question and also for the concerns that she has demonstrated on this whole issue.

December last, given the tight fiscal framework that we have to operate in, organizations delivering settlement and language training to immigrants were advised that only mandatory benefits such as CPP and UI would be able to be recovered.

(1450)

As a result of these new guidelines the Vancouver college refused to enter into negotiations despite the fact that eight other major colleges in British Columbia providing the same services have entered into a successful agreement.

The cost for the fringe benefits that the Vancouver college would like us to reimburse amounts to almost \$2 million province-wide which is equated to almost 500 immigrants being taught English or French as a second language. That is a considerable size.

Notwithstanding that, on Monday I made it very clear that I am prepared to enter into negotiations with all those service providers to search for maximum flexibility so that we can deliver the services to the people who need them, newcomers and immigrants, and that the service providers can also pay those individuals who work for them a fair and decent salary.

I believe that is a fair compromise and I would hope that the Vancouver college would join the eight other colleges in British Columbia providing necessary service to immigrants.

* * *

JUSTICE

Mr. Myron Thompson (Wild Rose): Mr. Speaker, my question is for the Solicitor General.

Early today the Solicitor General released his legislative proposals to keep child sex offenders in custody until the end of their sentences. I applaud that.

Unfortunately these proposals do not go nearly far enough. For example, a convicted serial rapist like Larry Fisher could still complete his sentence and be eligible for release even though experts say it is likely he will reoffend.

Can the Solicitor General please explain how his proposed amendments to the parole act will protect society from a person like Larry Fisher?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I appreciate my hon. friend's support for these proposals which I understood he expressed outside the House. I hope he will continue that support.

With respect to Larry Fisher, this individual completed the sentence imposed by the court and therefore we would need a different kind of legislation to deal with that kind of situation. It is something that is being looked into by a federal-provincial task force.

Once the task force reports in a few months the Minister of Justice and I will develop proposals to deal with this kind of situation. It is troubling and we do not intend to ignore the need to take action about it.

Oral Questions

Mr. Myron Thompson (Wild Rose): Mr. Speaker, I agree it is troubling and Larry Fisher is not an isolated case.

For example, there are convicted paedophiles in our prisons who the experts say can never be healed. Mr. Galienne is one of the examples of this type of prisoner. He is due to be released in October. The Solicitor General's proposals will have zero influence on Galienne's case.

Regardless of all the ridiculous remarks it is very important that the safety of Canadians is considered. Will the Solicitor General admit that the proposals he has brought forward will not affect people like Galienne one bit?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, the proposals that I tabled today are designed to deal with people before the end of their sentence primarily and the situation which he has raised has already been recognized by the Minister of Justice and me.

We intend to have measures to deal with that in light of federal-provincial task force reports because we believe to deal with the situation effectively we need to have the involvement and co-operation of the provinces.

I look forward to the hon. member's support for our further proposals, just as he is supporting the proposals we tabled today.

* * *

[Translation]

INDIAN AFFAIRS

Mr. Maurice Dumas (Argenteuil—Papineau): Mr. Speaker, my question is for the minister of Indian affairs. After having made the acquisition of land located south of highway 344 a priority for the federal negotiator, lawyer Michel Robert, the government continues to put off fulfilling its commitments to the so-called "forgotten of Oka".

Can the Minister of Indian Affairs confirm whether Public Works and Government Services Canada has indeed set a deadline in connection with the purchase of properties belonging to "the forgotten of Oka" as the minister had promised?

(1455)

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, this question was of concern to the hon. member yesterday. He did not get a chance to ask it, but we discussed the problem.

I met with the delegation from 344 outside the House of Commons with members from the Bloc. They are satisfied that the obligation went through committee, through cabinet and our negotiator is mandated to commence negotiations on the basis of willing seller, willing buyer.

[Translation]

Mr. Maurice Dumas (Argenteuil—Papineau): I have a supplementary, Mr. Speaker. Will the minister recognize that it is high time to do justice to these people who are exasperated, and rightly so, by four years of government carelessness and promise that formal negotiations in relation to the purchase of their properties will start no later than July 1?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, this is a problem that this government inherited from a former government which that leader was in.

We went into the province of Quebec and after asking the province of Quebec for contribution, we received none. That is \$7 million of federal money in the province of Quebec to solve a problem that we did not even create.

* * *

YOUNG OFFENDERS ACT

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

In the Young Offenders Act there is a preamble which has a list of things that is a guide for its operation. Some of these are that young people must be held accountable, society must be protected, young persons need guidance and assistance, a focus on offenders needs. The minister has now admitted the preamble is not sufficient.

Why is the term victims not mentioned in the preamble of the current act when victims' concerns should also be a guiding factor in the operation of the Young Offenders Act?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the preamble to the Young Offenders Act speaks at length and in more than one place about the protection of the public, the protection of society.

The amendments that we introduced two weeks ago in Bill C-37 strengthened the Young Offenders Act in a variety of ways, among others by making it plain that from now on after the enactment of Bill C-37 victim impact statements can be received at the time of the sentencing of young offenders.

This government believes that with those changes and with other changes we proposed in Bill C-37, we have strengthened the Young Offenders Act so that it is very much operating in the interest of Canadians.

Mr. Paul E. Forseth (New Westminster—Burnaby): Mr. Speaker, on a supplementary, will the minister take action and change his policy to spell out in the Young Offenders Act preamble that where the rights and needs of the victims conflict or need to be balanced with those of the young offender, the

concerns of the victim will be paramount and be clearly written as a principle in law?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, in the view of this government the amendments that we proposed in Bill C-37 will strengthen the Young Offenders Act and, as amended, it will serve as a workable and ideal juvenile justice system for Canada.

* * *

INFRASTRUCTURE

Mr. John Maloney (Erie): Mr. Speaker, I have a question for the Minister responsible for Infrastructure.

The overview of the Canada-Ontario infrastructure agreement states that the program is intended to accelerate economic recovery by creating short and long term employment through investment in local communities.

How many short term jobs have been created to date? How many projects have been approved to date? How many long term jobs does he anticipate from these projects?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, as this House nears summer recess I am happy to bring more good news.

On the national infrastructure program, we have reached the \$2.3 billion mark and by the end of this month we will have reached the half-way point of the \$6 billion program that we initiated just some seven and one half months ago.

I was asked about jobs. To date we have created over 36,000 jobs, over 2,300 of those being long term. We are well on the path toward the 90,000 jobs that I have announced to this House before that we would be creating in this program.

This program is hoping to attract new investment into our community.

Some hon. members: Hear, hear.

* * *

[Translation]

INDIAN AFFAIRS

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, yesterday in this House, the Minister of Indian Affairs recognized the problem of band councils overestimating Native populations. These figures are then used to set the amount of federal subsidies. According to *La Presse*, this overestimation may cost over \$1.2 billion in expenditures for non-existent Natives.

Oral Questions

My question to the minister is this: Given the drastic state of the federal government's finances, does the Minister of Indian Affairs undertake today to ensure that Statistics Canada census takers will have access to aboriginal lands so that these populations can be counted accurately?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I do not understand where my friend is coming from. The census is taken by Census Canada in what is called census week in June. This is part of the problem with the Indian register. It is an ongoing register.

We do make comparisons and I want to assure the hon. member that we will be working with Census Canada. The comparison between Census Canada and the register was done. I have it here for 1986 if the member wants to see it.

The most recent one will be completed in August. I will be prepared to share the results with my friend. It is a public document.

* * *

FISHERIES

Mr. John Cummins (Delta): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. Last week six American fishing vessels accompanied by a 150-foot American coast guard cutter conducted a black cod fishery while 15 miles south of the Canada-U.S. border between Alaska and British Columbia.

Was the minister aware of this incursion into Canadian territory? If so, why did he do nothing?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for his question. Indeed we are aware of the American vessels in the area of AB line and the Dixon Entrance.

The member knows it is not unusual over the years that both Canadian and American vessels are in this disputed zone and that each nation conducts its fishery and enforces its own fishery in this disputed zone.

The question is being asked in a manner that would suggest that somehow there is something unusual or something that is precedent setting. It misleads the House and I know that is not the member's intention. His usual practice is to inform the House. I inform him that we are monitoring the situation very closely as usual.

* * *

PRESENCE IN THE GALLERY

The Speaker: I would like to draw to the attention of hon. members the presence in our gallery of His Excellency Dr. Mate Granic, Deputy Prime Minister and Minister of Foreign Affairs of the Republic of Croatia.

Government Orders

Some hon. members: Hear, hear.

[*Translation*]

The Speaker: Dear colleagues, I have a question of privilege, and two points of order, one of them from this side.

The hon. member for Gaspé on a question of privilege. This is about something that happened during Question Period.

* * *

POINT OF ORDER

ORAL QUESTION PERIOD

Mr. Yvan Bernier (Gaspé): Mr. Speaker, I will try to be brief even though this is the end of the parliamentary session and I am a young member.

Earlier, in response to my second question, the Prime Minister distorted my words. The Prime Minister was referring to a question I had raised regarding sovereignists and the definition of “separatist”. I had reminded—

Some hon. members: Oh, oh!

Mr. Bernier (Gaspé): —that hurts the ears of the hon. members opposite.

The Speaker: My dear colleague, it is certainly a point of debate but I do not think it is a question of privilege.

The hon. member for Laurentides on a point of order.

STANDING COMMITTEE ON GOVERNMENT OPERATIONS

Mrs. Monique Guay (Laurentides): Mr. Speaker, I want to bring to your attention the words and attitude of the vice-chairman of the Standing Committee on Government Operations during the June 15 sitting. We parliamentarians find it very disturbing to work with a vice-chairman who is constantly cutting us off and is biased against what we say. I also think it is very disrespectful to talk about absent members and call them by their personal names.

I therefore table the “blues” of this committee and ask you to read them attentively and take the necessary actions.

The Speaker: That also is a point of debate.

[*English*]

Mr. Gagliano: Mr. Speaker, I would appreciate it if you would ask the House for unanimous consent, when taking the vote on second reading of Bill C-37, to dispense with the ringing of the bells since the majority of the members are here.

The Speaker: The House has heard the proposal for unanimous consent to dispense with the ringing of the bells. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Speaker: There is no unanimous consent.

GOVERNMENT ORDERS

[*English*]

YOUNG OFFENDERS ACT

The House resumed from June 20 consideration of the motion that Bill C-37, an act to amend the Young Offenders Act and the Criminal Code, be read the second time and referred to a committee.

The Deputy Speaker: It being three o'clock p.m. pursuant to Standing Order 45(5)(a) the House will now proceed to the taking of the deferred division on the motion at second reading of Bill C-37, an act to amend the Young Offenders Act and the Criminal Code.

Call in the members.

Mrs Ablonczy: I rise on a point of order, Mr. Speaker. I believe there was a request for unanimous consent to hold the vote without the ringing of the bells. There was a loud denial for that unanimous consent. I am puzzled why the vote is proceeding.

The Deputy Speaker: I say to the hon. member for Calgary North that I asked exactly the same question. I am told that when a situation like this arises the bells will ring for up to 15 minutes and if during that time the whips of the government party and the Official Opposition get together we would not have to ring the bells for 15 minutes.

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

(Division No. 66)

YEAS

Members

Abbott
Alcock
Althouse
Anderson
Assad
Augustine
Axworthy (Winnipeg South Centre)
Barnes
Berger
Bethel
Blaikie
Bodnar
Boudria
Brown (Calgary Southeast)
Brushett
Bélair
Campbell
Catterall
Chamberlain
Clancy
Collins
Copp
Crawford
DeVillers
Dingwall
Dromisky
Duncan
Easter
English
Finlay
Fontana
Fry
Gagliano
Galloway
Gilmour
Goodale
Graham
Grey (Beaver River)
Grubel
Hanrahan
Harper (Churchill)
Hart
Hays
Hill (Macleod)
Hoepfner
Hubbard
Iftody
Jackson
Keyes
Knutson
Lastewka
Lee
MacAulay
MacLellan (Cape Breton—The Sydneys)
Maloney
Marchi
Martin (Esquimalt—Juan de Fuca)
Massé
McClelland (Edmonton Southwest)
McGuire
McTeague
Mifflin
Mills (Broadview—Greenwood)
Minna
Murphy
O'Brien
Ouellet
Parrish
Peric
Peterson
Pickard (Essex—Kent)
Proud
Reed
Rideout
Ringma
Rompkey
Scott (Fredericton—York Sunbury)
Serré
Sheridan
Simmons
Solberg
Speaker

Ablonczy
Allmand
Anawak
Arseneault
Assadourian
Axworthy (Saskatoon—Clark's Crossing)
Bakopanos
Bellemare
Bertrand
Bevilacqua
Blondin—Andrew
Bonin
Breitkreuz (Yorkton—Melville)
Brown (Oakville—Milton)
Bryden
Calder
Cannis
Cauchon
Chan
Cohen
Comuzzi
Cowling
Culbert
Dhaliwal
Discepola
Duhamel
Dupuy
Eggleton
Fewchuk
Flis
Forseth
Gaffney
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier (Ottawa—Vanier)
Godfrey
Gouk
Gray (Windsor West)
Grose
Guarnieri
Harb
Harris
Harvard
Hermanson
Hill (Prince George—Peace River)
Hopkins
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
LeBlanc (Cape Breton Highlands—Canso)
Loney
MacLaren (Etobicoke North)
Maheu
Manley
Marleau
Martin (LaSalle—Émard)
Mayfield
McCormick
McKinnon
McWhinney
Milliken
Mills (Red Deer)
Mitchell
Murray
O'Reilly
Pagtakhan
Patry
Peters
Phinney
Pillitteri
Ramsay
Regan
Riis
Rock
Schmidt
Scott (Skeena)
Shepherd
Silye
Skoke
Solomon
Speller

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St. Denis
Stewart (Brant)
Szabo
Terrana
Tobin
Ur
Volpe
Wappel
Wells
White (Fraser Valley West)
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Laurin
Leblanc (Longueuil)
Leroux (Shefford)
Marchand
Mérnard
Paré
Plamondon
Péloquin
Rocheleau
St-Laurent
Tremblay (Rosemont)

PAIRED—MEMBERS

Members

Crête
Gauthier (Roberval)
Lincoln

Finestone
Lavigne (Beauharnois—Salaberry)
Zed

(1515)

[Translation]

The Speaker: I declare the motion carried.

(Bill read the second time and referred to a committee.)

[English]

Mr. Vanclief: I rise on a point of order, Mr. Speaker. I was unavoidably detained in the lobby for a moment and not here at the beginning of the vote. If I had been here I would have voted in favour of the legislation.

Ms. McLaughlin: Mr. Speaker, regrettably I was not near and I would like to record my vote as a yes.

Mr. Malhi: Mr. Speaker, I was not in the House at the start of the vote. Had I been present I would have voted with the government.

* * *

EXCISE TAX ACT

The House resumed consideration of the motion that Bill C-32, an act to amend the Excise Tax Act, the Excise Act and the Income Tax Act, be read the third time and passed.

Government Orders

The Deputy Speaker: The hon. member for Vegreville has 10 minutes remaining.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, before the break I was debating Bill C-32 and I was talking about the fact that this bill will encourage young people to smoke by making tobacco products more affordable to them.

I discussed my own experience in that regard, but I will also quote Professor Robert C. Allen, a visiting professor from Harvard University. It was noted how the decrease in tobacco taxes will directly impact on increasing the number of people, including young people, who take up smoking. He stated that tobacco consumption would increase by 14 per cent. Teens, being about two and a half times as price sensitive on this issue, would increase their consumption of cigarettes by about 35 per cent. All of this is because of the reduction in tobacco taxes. Even the money being used from the surtax will do little to discourage 175,000 young people from smoking. The use of tobacco and the hazards of second hand smoke are well known and documented.

(1520)

One main concern I have, like many of my constituents, is the effect this legislation will have on our health care system. Another major consideration is the toll the legislation will have on human lives as increased consumption leads to further health complications.

I am not going to talk at any length about the personal tragedies caused by increased disease due to smoking. We all understand that so I will not discuss it today. However I would like to talk about the less direct human toll which will be brought about as a result of this tax.

Reformers support decreasing overall taxes, but we have to question whether this bill will do that at all. Does this bill decrease tax? I say it does not. A select group may be paying lower taxes to start off with, but all Canadian taxpayers will end up paying more money in the future because of the increased health care costs associated with smoking. It will require increased taxes to pay this additional cost brought about by increased smoking and the increased health hazards that result.

Professor Robert C. Allen notes that further proposed reductions in tobacco taxation will have a devastating impact on the health of Canadians since they will significantly expand tobacco consumption. He also states that lowering cigarette taxes would lead to large increases in cigarette consumption with significantly higher levels of death from tobacco related diseases. Professor Allen is backing up what I said and what many have said before me. Therefore the health expenditure would rise sharply and tax receipts would drop.

Have the long term costs of our health care system been considered properly by the government in this legislation? I say the answer is no.

Extra costs to health care resulting from increased smoking and related disease have not been properly considered, as I discussed earlier and reductions in the much needed health services, including elective surgery, will be put under further stress as a result of this further spending on this group who need additional services because of smoking related health problems.

I am saying that because of these increased smoking related health problems and costs there will be less money available for elective surgery. I am sure all of us know already the problems that we have in receiving elective surgery on time. This will further complicate that problem.

Even if the government does down the road, as I hope it will, decide to bring increased efficiency into our health care system, thus reducing the cost of delivering our system as it is today, we also need to bring the cost of health care to a reasonable level. We must, in any way we can, reduce unnecessary disease such as that brought about by cigarette smoking.

The next point I would like to discuss is the timing of reducing tobacco taxes. I think it is impeccably bad. I believe I will put this point off until a little bit later and if I do not have time to come back to the point I am sure my colleagues will question me on the issue of timing.

For the past four months my constituents have told me, in no uncertain terms, that they do not support the government in reducing this tobacco tax. This Liberal government told us during the campaign and has told us since that it is determined to listen to the will of Canadians. The Liberals said they would be more democratic, they would be more responsive to the wishes of Canadians. We have heard that again and again. The action the government has taken on this issue indicates that it is just talk. It is just hot air. The government is not willing to listen to Canadians. I have heard from MPs across the country that their constituents do not support the government on this issue of lowering tobacco taxes. The government may pay lip service to consulting with Canadians, but once again the action does not match the lip service.

(1525)

I would like to present what has become a Reform tradition; that is, when Reformers criticize the views or legislation presented before the House, they present constructive alternatives. Today I will do that in regard to the tobacco tax issue.

It is important to examine whether there are other ways to combat this problem of smuggling other than reduction of tobacco taxes. Unfortunately Bill C-32 is just another example of the government avoiding the real problem and refusing to face it head on.

Real solutions can come only if the problem has been clearly identified and then dealt with in a straightforward manner. I believe that by caving in on the issue of cigarette smuggling and the problem it has caused and will continue to cause, the

Government Orders

government has taken the easy way out. The government did not have any difficulty identifying the fact that smuggling was the problem, and I give it credit for that. It seems to have difficulty coming up with a common sense solution.

A more rigorous attempt at enforcing our laws should have been the first action undertaken by the government. Smuggling is a crime and those involved must be dealt with accordingly. Criminals should be treated like criminals regardless of race, colour, gender, religion or geographic location. If rigorous law enforcement meant going on the reserves where over 70 per cent of the smuggling took place, according to RCMP figures, this action should have been taken.

Was the government so intimidated by past events such as the Oka crisis—I admit a very scary, undesirable situation—that it backed down on enforcing the law? It is a question I would like the members opposite to ask and answer of themselves. If this is true it sets a very dangerous precedent on how we deal with crime. We have seen a similar process of dealing with crime in regard to the Young Offenders Act and gun control.

On the Young Offenders Act, was direct straightforward open action taken to help solve the problem? From the legislation we have just seen presented to the House, direct action was not taken.

On gun control, the Minister of Justice has shown again and again that the approach he will take is not the direct common sense approach, but rather is a roundabout approach, that of restricting guns and the use of guns, to no avail. No direct action is taken which really deals with the problem.

A further effect of this legislation is that it creates inequity from province to province. The prices for tobacco are now vastly different from province to province. I recognize there are other tax provisions that combat interprovincial smuggling. What if it gets out of hand, as did the cross-border smuggling between Canada and the U.S.?

I believe that will happen, and I have heard members of the House comment, hopefully in jest, that they should take a box of cigarettes back to Alberta or Saskatchewan or B.C. with them because there is good money to be made in smuggling between the provinces now. It is absurd way to deal with the problem. What happened to the direct common sense approach?

(1530)

My home province of Alberta has never before experienced a smuggling problem, at least until now, but I do believe that is what will happen with this bill. Reducing the tobacco taxes in some provinces but not in others will lead to smuggling between provinces at an ever increasing rate. It certainly will lead to substantial smuggling into Alberta.

In defending Bill C-32 this morning the hon. Secretary of State for International Financial Institutions stated that the

smuggling problem was undermining the government's health plan. Let us look at the logic of that statement. Let us follow the path of logic through.

Smuggling led to a lower price per package of cigarettes and therefore people were buying more. Because people were buying more, this increased the costs incurred by Canadian health care because of the health risks associated with smoking. What was the government's solution? It lowered the tax on cigarettes.

This resulted in a lower price for cigarettes making them more affordable for everyone, not just those who were buying smuggled cigarettes. Does any member in this House buy that as a path of logic? I think not. This further undermines the government's own health plan in Canada. The government has legalized the demise of its own health plan. Nothing is accomplished by this legislation.

In conclusion, this keep the peace style of government has not worked in the past and will not work in the future. It is time for the government to stop shirking its responsibility in dealing with this problem and to show some leadership. That is what Canadians want. If the government is not prepared to do that then I want to assure members in this House that Reformers certainly are prepared to do so and we will if government does not.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, in listening to the debate and some of the concerns which have been expressed, I am now aware that there are at least three states which have higher taxes on cigarettes than the neighbouring provinces in Canada.

Could the member comment a little bit on the taxes in the United States, the direction they are heading and whether we could co-operate with them in that respect. It is a key issue. I do not know if we can solve this problem by ourselves. We are looking at it in this light and is something which needs to be discussed. We need to co-operate with the authorities and attack the problem in this way.

Mr. Benoit: Mr. Speaker, I do agree the timing of this bill could not be worse. Just to back this up I would like to read a very short piece from yesterday's *Financial Post*. The title is: "The Sky is the Limit for Tobacco Tax in the U.S.". The article lays out very briefly that in the U.S. some experts believe that tobacco taxes will increase substantially and they will be used to fund the new health care plan which is being talked about in the U.S.

I will read this very short article: "Canada may have learned a lesson about the dangers of overtaxing cigarettes, but it has not filtered through to the U.S.". No pun intended. "As Congress and the White House crank up the campaign for a national health care program, tobacco taxes have emerged as everyone's favourite way to pay for it. The only dispute is over how high to raise them. Sam Gibbons, who took over as chairman of the

Government Orders

House Ways and Means committee when Dan Rostenkowski was hit with 17 corruption counts, has proposed a 45 cent U.S. increase, raising the total price to \$1.69 U.S. a pack. President Bill Clinton suggested 75 cents U.S. while Senator Edward Kennedy, who chairs the Senate Labour and Human Resources Committee, wants a \$1.50 U.S. increase per pack of cigarettes”.

(1535)

There it is. At a time when we are reducing our price per package of cigarettes the Americans are talking about increasing the cost and the sky is the limit, as the article said. This article was in the Washington Notebook column by Kelly McParland. It is a very interesting little section and I encourage members to read it.

Mr. Ken Epp (Elk Island): Mr. Speaker, I listened with interest to my colleague's presentation.

My question is with respect to the statistics on the increase in cigarette smoking due to the reduction in the price which in turn was due to the reduction in the taxes. There are some who hold that this merely reflects the increase in the number of people who are now buying cigarettes legally who before were buying them on the black market.

Does the member have any statistics on that and if so, how were they derived?

Mr. Benoit: Mr. Speaker, the exact statistics have escaped me. I did read statistics and they were presented in the House earlier. There is no doubt that statistics have shown very clearly that the consumption of cigarettes has increased due to this reduction in cost which was brought about by the lowering of the tax on cigarettes. I cannot quote the exact figure but I am sure one of my hon. colleagues will use it in a presentation later. However, there is no doubt about the impact.

Mr. Grant Hill (Macleod): Mr. Speaker, I heard some comment about division in various caucuses on this bill. I wonder if there was a vote taken in this caucus and one member voted against the caucus. Can the hon. member comment about what would happen to that member? Also, if there were dissenting votes from the other side and a vote came of dissent, what would happen to members if they voted against their caucus on such an issue?

Mr. Benoit: Mr. Speaker, of course the hon. member knows there was a vote cast against caucus. That is not unusual in our caucus. Members are free to vote and are expected to vote for what their constituents want. That happens commonly. It is extremely common to have people voting differently on various pieces of legislation. It is probably as common in other caucuses as it is in ours.

Of course in our caucus we do propose free votes when it comes to voting in the House on certain issues. Certainly we propose always and it is the requirement and responsibility of all members of the Reform caucus to vote according to their constituents wishes. Even if the caucus takes a position and members have gone to their constituents through formal mechanisms and not just talking about them and have clearly ascertained that their constituents want them to vote a different way than caucus votes in general, then it is the obligation and not just the right of that member to vote in that way.

Mr. Jim Abbott (Kootenay East): Mr. Speaker, this bill is very interesting as has been discussed previously. It actually combines or marries three different things the House has been working on.

(1540)

As a new parliamentarian I find an omnibus bill, which is the description of this kind of bill, to be quite interesting. It begs the question does the government really expect there to be some debate, some pros and some cons? This bill covers the area of a second section of tobacco taxes. It also covers the Air Transportation Act and the reduction of the GST for business meal exemption.

How does the government actually expect a party or even an individual member to be able to intelligently vote yea or nay when such totally unrelated fragments are pulled together in one bill? Or does the government actually have the idea that because it has 177 members it is going to get its own way anyway? Has the government pulled it all into one bill with the expectation that the people in its caucus, once the Prime Minister or the Deputy Prime Minister has risen to lead the way, will follow like sheep? It really begs the question as to why these would have been put together in one bill.

I intend to spend most of my time speaking on the air transportation tax changes, but I would like to address the issue of tobacco taxes. The majority of our caucus is opposed to the reduction of the excise tax on tobacco products. The majority believes it encourages more people, particularly young people, to smoke.

Having been in the field of sales and marketing for an extended period of my life, I appreciate there is always the law of supply and demand that is intervened with by the actual price point of a given commodity. If the situation is that prices for cigarettes are going to be lowered, it goes without saying that consumption will undoubtedly increase. Furthermore, my understanding is that studies have shown that young people are most sensitive to this price point.

The second factor is that the long term health costs for Canadians have not been calculated. With the tremendous amount of legislation which is currently coming before the House, this statement could be applied to probably the vast

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majority of the legislation. In fact, there is no costing before the legislation comes before the House.

What will the cost be to the Canadian people? This is a very real part of the reason that when the federal, provincial and municipal debts are combined, we in Canada are in debt at a rate of over \$1 trillion. It is because governments simply do not do the costing.

What will the health care costs be for Canada and for Canadians if there is an increase in consumption?

There has been a lot of debate today about the issue of more aggressive enforcement. Looking at the situation as it was prior to the decision of the government to lower the taxes, it is clear that the government was shying away from certain areas of our country and not addressing the issue.

If the government was attempting to address the issue, how hard did it try particularly when one area of our country was identified as having a 70 per cent hold? Of all of the product coming into Canada, 70 per cent was coming in through one very small geographic area, yet the government would not address the smuggling in that area.

Another reason the majority of our caucus is opposed to the reduction of the excise tax is it is believed there should have been new export taxes on tobacco products. I believe it was during the debate on Bill C-11 when I brought to this House two clearly marked Export A cigarette packages.

(1545)

Both packages had been purchased in Manitoba. One package had been purchased immediately prior to the imminent imposition of the export tax. It was identified as having been made in Canada. It was the green package with white lettering that said "Export A" and "made in Canada" and very proud of the whole issue. That was fine. The second package was purchased a week later from the same illegal vendor. It was clearly marked as having been manufactured in Winston Salem under licence by RJR MacDonald.

The point of export taxes with respect to this product is that they will not work. Clearly that particular company's product was going through Buffalo and back into Canada. It had decided that if there was to be an export tax put on it would simply go to a licensing arrangement whereby it would have its product manufactured in Winston Salem and still be in the marketplace. I seriously question whether export taxes or even the imposition of export taxes as they presently sit really make any difference.

The final point is that constituents in the west are opposed to the tax reduction. Some feel they are being treated as second class citizens because their provinces oppose the reduction of taxes. Obviously what we have done is change the situation so

that instead of north-south smuggling now we have east-west smuggling.

It begs the question that I raised earlier when the member for Esquimalt—Juan de Fuca was speaking. Does it really make sense? Is it really proper if we walk away from principles when it comes to laws, if we walk away from the foundation stone of how laws are brought in, the background to the laws? Is that really right and proper?

In other words taxes on cigarettes have basically happened. Over a period of time they simply have happened in exactly the same way as taxes on alcohol and other commodities people want and will pay for. Successively over the last 25 or perhaps even 50 years governments have said that people want or are addicted to cigarettes, that people want or demand their alcohol or whatever the case may be, and that therefore they are a source of taxation.

Over a period of many years—some 25, 30 or 50 years—taxes have happened. They have been added on and on until we suddenly reached the point with a slightly higher degree of sophistication of taking a look and saying that prices were so high on this particular commodity we had dampened enthusiasm, particularly of young people, for the product. Now we get into the whole issue we described earlier: If we reduce taxes will we actually end up increasing consumption?

The following question must be raised: If we are enacting good law and if as a member of Parliament I am expected to vote on various laws, am I actually voting on a matter of principle or a matter of expediency? To this extent, as I have expressed in a previous intervention, I find myself somewhat ambivalent about this specific question, fully recognizing that we have two doctors in our caucus who are very emotionally attached to the particular issue and the reality that if we end up lowering taxes we end up increasing consumption, particularly among young people, and recognizing that these people are faced with the reality that this is what will end up happening.

On the other side of the coin what about the principle that is involved? By saying that the taxes should stay up are we actually attempting to legislate behaviour or influence behaviour in a way that is not correct and not based on the basis of principle?

(1550)

As I mentioned our data indicates that 40 per cent of total production of Canadian companies was being exported before the changes. Only 3 per cent was being consumed abroad. This shows the extent of the smuggling and this law allows an exemption for the 3 per cent.

The question I have is about the moral responsibility of tobacco companies. I am not speaking about tobacco farmers here because I recognize they are people who planted a crop in the ground, who have equipment and who have capital invested in various aspects of their business of growing tobacco. They are

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caught in a real bind on the particular issue. However I would like to talk particularly about the multinational companies and again reflect on what I was speaking about a few moments ago.

These companies suspected an export tax was coming. With abject cynicism they turned around and took a package—and until one looked at it very closely one would not realize it—that had been manufactured in the U.S. I submit for the consideration of the House that it had been manufactured in the U.S. with the full knowledge of people in the tobacco companies that the package would end up being smuggled back into Canada. It would not only be smuggled back into Canada but smuggled in a way that was dangerous to life and limb.

I appreciated the interjection of the member for Glengarry—Prescott—Russell this morning. If his constituents were literally being shot at as a result of the smuggling effort, if there was absolute lawlessness as a result of the smuggling effort, I can appreciate the emotion the member brought to the debate this morning. How much culpability or how much responsibility should there be on behalf of international corporations? I suggest a tremendous amount.

The measure to ensure that unmarked tobacco products sold on reserves in Ontario and Nova Scotia are taxed at the same rate as marked products is a very touchy issue. I acknowledge that. When a commodity will be consumed by people, no matter what their distinction may be, when we have a two-tier tax system and when we have this situation, the difficulty is that it feeds the whole issue of illegal activity. That is really unfortunate.

We also recognize that until the particular legislation is passed and enacted wholesalers and retailers will have difficulty in looking for \$150 million in tobacco taxes that have previously been extracted in inventories when the changes were announced. We look forward to the legislation being able to go forward. It is just unfortunate that it was not prepared at the time Bill C-11 was before the House. It would have saved the whole problem. The difficulty is that the government bunched together the tobacco tax question with the other two questions: the air transportation tax and the GST rebate.

We are looking at the fact that there will be a health promotion surtax, an increase of 40 per cent on taxes paid on the profits of tobacco manufacturers. Surely we recognize in the same way as price is a factor in the consumption of tobacco products that advertising must be both a positive and negative factor with respect to the consumption of tobacco products.

(1555)

The main topic I would like to address is that of the air transportation tax. There has been very little discussion about it as I have listened to the debate today. Perhaps I could give a little background and description about the air transportation tax.

Currently there is a flat fee of \$10 plus 7 per cent to a maximum of \$40 on all airline tickets purchased in Canada. These fees are part of the Excise Tax Act even though they appear to be closer in function to user fees than actual taxes. This is the positive part. All revenues from the tax are directed toward the Department of Transport which routes the funds to the aviation component of its expenditures.

The reason I pause to mention that I consider this to be positive is that frequently taxes extracted from businesses and individuals do not ever end up where they are supposed to go. They just end up in consolidated revenue. I encourage the government to take a look at this as a model. There is also a new model within the Department of Canadian Heritage under National Parks. The specific revenues it is taking in for campgrounds, for pools and for specific functions are paying for the functions from which the funds were originally extracted. Surely that is the way it should be.

Going back to the air transportation tax, it makes up most of the funding for aviation services provided to all Canadian airports whether public or private. These services include air traffic controllers, aviation control for takeoff and landing, and air navigation costs. It is important to note that the current revenues from this tax of nearly \$600 million do not cover the full government cost of aviation which runs at about \$870 million.

Whether we are talking about airlines, aeroplane fees or the cost of running airports; whether we are talking about VIA rail and the cost of running trains down the track; or whether we are talking about transportation such as trucking where there are diesel fees and taxes on the fuel actually going into the trucks, historically in Canada we have shied away from making sure the revenue derived from the users of a particular transportation system ends up benefiting that transportation system.

The trucks pay the diesel road tax. Interestingly, CP rail also pays for its diesel locomotives which, the last time I looked, are not using our highways. The CP Rail corporation has to pay for the maintenance of its track, its roadbed and all other infrastructure with respect to locomotives in spite of the fact that a component of the fuel tax pays for roads for its competitors, truckers. It is a bit of an anachronism and probably points out as well as anything the component I am speaking about, that users should pay for the service they are receiving.

The air transportation tax will reduce the tax burden on short haul domestic and transborder flights by decreasing the flat charge per ticket and increasing the maximum fee. Living in Cranbrook I can appreciate many people take a look at whether they want to be going back and forth to Calgary by aeroplane or by road. Coming back to the factor we were just talking about, the costs of gasoline, fuel taxes, road maintenance and upkeep plus the time, I believe this will ultimately be of benefit. It will get more people off the road, through Kootenay National Park

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and through the Crowsnest. Probably this will be duplicated in many areas throughout Canada.

The flat fee is decreased to \$6 and the maximum increased to \$50.

(1600)

The changes will bring in an additional \$24 million in 1994 and \$41 million in 1995. While this is an improvement for the reason that I just set out where one has short haul being more competitive price wise because the taxes on the short haul are going down, on the other side of the coin I submit to the government the fact that the changes are only going to be \$24 million and \$41 million still leaves a significant shortfall in the concept of user pay.

I believe this levy should not be part of our complicated tax system. It is beneficial that the funds do not go into general revenue and that they are spent specifically on aviation. I would encourage the government as it goes through more bills and motions and as it takes a look at the practices within the Department of Transport to take a look at the concept of changing the user fee to full cost recovery basis.

I would suggest that in addition to air transportation tax, there are probably other areas in the cost of running airport terminals and being able to provide services to private pilots. We would be able to take a look at moving forward and getting closer to a user pay principle.

The final section of this act has to do with GST changes for meal allowance. Having been a commercial traveller for a number of years, I recognize the chagrin that was faced by the small commercial traveller who suddenly was faced with the cost of being able to expense his meals and being able to get, for example, shop owners and people he was selling to out of their place of business into a neutral location and being able to talk to them. This was a tax increase to someone who earns their income by travelling, by working and selling with people.

The Reform Party supported the changes when the budget came out on the basis that they amounted to a business subsidy. While we recognize that these expenses are legitimate business expenses for some, the reality is in the overall picture there was a tax break for a select few.

As I just indicated with a tremendous amount of sympathy, to the people who are commercial travellers and business people who use the business expense deduction for meals, it was exceptionally unfortunate for them that they ended up caught in the squeeze between these two factors. However, overall we support that.

On balance and in summary, I consider it exceptionally unfortunate that the government has chosen to cluster these three totally different and unrelated parts of our taxation system together. It is really unfortunate and I hope that in future the

government will look with more favour to in this case bringing forward three separate bills so that we can vote on them separately.

Mr. Leon E. Benoit (Vegreville): Mr. Speaker, I have a question. I was going to ask it a little later, however I appreciate the opportunity.

I would like to ask the hon. member who has just spoken to elaborate on how, had he been in government, rather than putting this bill forth as an omnibus bill, he would have broken it down.

Mr. Abbott: Mr. Speaker, as I mentioned at the outset, the difficulty is that when one combines the issue of tobacco taxes with airport tax, air transportation taxes and GST changes for meal allowance, it clearly is unworkable.

The simple answer would be to have brought them forward as three totally separate bills so that they could have been handled and discussed with more intelligence.

(1605)

The other factor I question is why the government would have chosen to pull C-32 with the tobacco taxes together with these at this time and why it would not have brought it forward at the same time when Bill C-11 was brought forward. Again, as memory serves, from Bill C-11 there were some aspects that were totally supportable but on the other side of the coin there were some serious problems and there was a balance. Had we the opportunity for the section on tobacco taxes of Bill C-32 being combined with Bill C-11, I believe this House would have been able to have much more intelligent deliberation.

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, I listened with great interest to my colleague's remarks. One area he could perhaps provide a bit more insight into is the moral responsibility of the tobacco companies and of the international companies that are going to reap the rewards of an increased level of smoking in our population.

I wonder if he has given any thought to how perhaps we could make the tobacco companies more accountable for the huge increases in our health care costs that are bound to come somewhere down the road so that they could pay their fair share since they are the ones reaping the rewards caused by this lowering of tobacco costs with the increase in the smoking population.

Mr. Abbott: Mr. Speaker, in this instance we have spoken about the connection or the user pay principle. I am wondering if there is not something that we could be taking a look at with respect to a direct connection between their cost of doing business. In the same way that we have no deposit, no return, in other words a deposit system on bottles, cans or glasses, in the same way that we have been talking about user pay for air transportation tax, I am wondering if we could not be seriously taking a look at the connection between the taxes that we should

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be levying on tobacco and see them as a specific piece of revenue that would be going toward health care costs.

Additionally, one of the interesting things coming out around the world in all commodities, for example the forest product companies in Canada, is that there has been a glare of light in some of their practices that historically have been unacceptable and have actually been poor for our ecology. In the same way that there has been this glare of light suddenly these companies have taken on the responsibility of responsible sustainable forest practices. They are very proud to be able to show people in their communities and to put on demonstrations of how they are being responsible at this point.

In addition to the actual financial suasion of a tax connection, such as I have just spoken about together with the moral suasion, that is, making them have more of a feeling and an acknowledgement of responsibility for what their product is doing within our community, that is part of the answer.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, I have a brief comment. I could speak to illicit some comment here as a proponent of the bill. Does my hon. colleague here really believe that our borders are such that we can keep a profitable small package such as cigarettes out of circulation?

Further to that, without dropping taxes, would we not be using our policing resources to maintain an artificially high price in order to sustain smuggler profits?

(1610)

Mr. Abbott: Mr. Speaker, that is part of the question that I posed at the outset and why I have clearly stated that I have no position, that I am ambivalent. There is a principle involved, the secondary principle that I did not speak to earlier which is the fact that we effectively were rewarding people for being involved. I am talking about ordinary citizens who were going out and purchasing the illegal cigarettes. We actually rewarded those people by taking taxes off. It seems to me that the principle is all wrong.

Principle is one thing, but when I speak to doctors, nurses and medical practitioners and they tell me of the difficulties that this is going to create by not lowering the taxes I fully recognize that there is a physical reality here. I stand to be convinced but nonetheless I am taking a look at the fact that again we have combined the tobacco taxes with the air tax, with the GST rebate and we will be voting as best we can on what is a poorly cobbled piece of legislation.

Mr. Milliken: Mr. Speaker, on a point of order, I wonder if there would be unanimous consent to revert to the presentation of reports by committees. I have a report from the procedure and House affairs committee concerning the membership in committees. I consulted earlier and there would be consent to proceed with that now.

Mr. Hermanson: Mr. Speaker, is that the procedure and House affairs report that we are looking at here? Is that the only one?

Mr. Milliken: Yes.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: Resuming debate, the hon. member for Calgary North.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, before I begin my discussion of Bill C-32 I would like to comment on the operation of our democratic system, the authority of Parliament to fully discuss legislation and the way that this bill is being moved so quickly through the House.

The first reading of Bill C-32 occurred on May 27, a short time ago. As everyone in this House knows, this is a very complex bill of 62 pages, filled with highly technical information.

The government should show respect for the role of opposition parties to study, analyse and prepare constructive criticism on such bills by allowing sufficient time for comprehensive review.

This is particularly true when a great deal of new legislation, again much of it very lengthy and complex, is being introduced all at the same time toward the end of this session. I believe it does a disservice to our country, to this House and the members' roles in it to be dealing so quickly with some very important legislation and this is one example of that.

By pushing debate ahead so quickly on this and other last minute legislation the government is disrespecting the spirit and purpose of our democratic institutions. Canadians deserve better than this. Canadians do not want to sacrifice principles, respect for democratic process and due process for the sake of expediency.

Unfortunately this expediency has a severe cost in the case of Bill C-32. While Reform supports certain elements of this bill, such as some of the anti-smuggling initiatives, the air transportation tax changes and the meal allowance changes, there is much that is questionable about Bill C-32. It is a flawed piece of

legislation because it deals with the health of Canadians and in the view of many caves into the pressure of the tobacco lobby, discriminates against western provinces and can well contribute to interprovincial smuggling. These elements make it a bad bill, pure and simple.

The first issue which I would like to speak to is the government's unfortunate provision in this bill which removes one deterrent to the threat to the health of Canadians. This is the lowering of the tax on tobacco products. Nothing is more important to Canadians than their health and the health of their loved ones. This concern of Canadians is an especially strong case for young people when it applies to our future generations.

(1615)

Unfortunately it is this age group that tobacco manufacturers have been targeting for many years with their advertising campaigns. The government, however, seems to have lost the will to combat this problem directly. It decided to lower tobacco taxes without making a proper evaluation of the impact of its actions on health care costs and on possible increased addiction among the nation's young.

As we were reminded last week by the hon. Reform member for Yorkton—Melville, the Parliamentary Secretary to the Minister of Health clearly stated in one of her speeches that the government fully recognizes that the action plan to combat smuggling and the tax measures associated with it would pose health risks. How can the government pursue such measures in good conscience when it knows that one serious result of this legislation before us today may lead to greater addiction and result in heart disease, cancer, and death?

Where is the logic here? Where are our priorities? How are we to believe the government's professed statements about concern for the health of Canadians, indeed statements made today in this House by the Minister of Health showing great concern and great sympathy for a very unfortunate case?. These actions do not square with that professed concern.

I do not doubt that there are some in our country, mainly the tobacco lobby, who are pleased with this legislation but it should not be the concern of this House to cater to special interests, especially interests which put their own profit margins over the health concerns of the nation. This House is here to provide good government to all Canadians and this is the goal of the Reform Party.

Even if we were to consider the idea of tobacco tax reductions as legitimate, this bill does not even handle the tax decrease fairly. The provinces of western Canada which wanted no part of the tax decrease and desperately needed the revenues, mostly to pay for health costs, a good portion of which are incurred by smoking, have been bullied by this government. They have been given no choice. They have lost a great deal of revenue and

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received no compensation whatever. This is clearly discriminatory in our federal system.

Worse still, western provinces which never had a tobacco smuggling problem before now are having to cope with a large inflow of cigarettes from the eastern provinces that have lower tobacco taxes than they do. This is unfair and it must stop.

We recognize that you cannot beat a plan with no plan so the Reform Party would like to suggest an alternative route to the hasty and misguided path upon which the government has now embarked.

We recommend a plan for restoring tobacco taxes to previous levels should be considered. It is true that tax levels need to be lowered in this country but lowering them in this one instance in this one narrow area without regard for all the consequences is not the proper way to go. The government may complain that increased taxes will again lead to increased smuggling. However that is not wholly true.

As has been mentioned in this House before the majority of cigarettes being smuggled into Canada, in the region of about 70 per cent, were coming from reserves located on Ontario and Quebec borders with New York State. However, due to a U.S. court decision on Monday New York will now be limiting the supply of duty free cigarettes to these reserves based on a per person quota. All cigarettes in excess of this quota will be fully taxed. This means that cigarettes coming through those reserves will already cost about 35 cents more per pack than those legally purchased in Canada.

(1620)

Furthermore, if the proposed American health tax on cigarettes is added later this year as anticipated, Canadian cigarettes will be cheaper by around \$1.50 a pack than their U.S. equivalent. This opens the door for the return to previous taxation levels with no increased risk of smuggling.

The Reform Party would therefore ask the government to act on this development as soon as the House resumes sitting in the fall. If the government still finds that there is a smuggling problem then it should consider the reinstatement of an export tax on those cigarettes sold to neighbouring jurisdictions which are above and beyond our historic levels of cigarette exports, which are about 3 per cent of Canadian cigarette production.

The Reform Party also suggests that the health promotion surtax imposed earlier this year on the profits of cigarette manufacturers be extended from three years to six years.

I would ask the government to introduce a complete ban on all advertising for tobacco products. It is high time that government put the health concerns of Canadians first on its list of priorities. The more time we lose, the more health care resources and lives of our citizens are going to be lost. Now is the time for more considered action.

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The Reform Party believes that this is an important debate of concern to all Canadians and we believe that the government should now re-examine this matter of lowering tobacco taxes. A vote against this bill now could be a vote for a better approach to this problem in the future and indeed a vote for a better future for the health of our Canadian citizens.

I would urge members of this House to vote to suspend the implementation of Bill C-32 at this time so that with the resuming of sittings in the fall we can all work together to get it right.

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, once again I listened to my colleague's comments with great interest. I noted that she is advocating the re-examination of this legislation in order to take another fresh look at just where the country is going with this reduction in cigarette taxation.

Could she give us some indication of what she would come up with for a better enforcement strategy. If we are not going to have the reduction in the cigarette taxes and the reduction in the cost of cigarettes in order to combat the cigarette smuggling, what other avenue is open and what would she advocate? Would it be in the form of a higher export tax? Would it be in more money spent on law enforcement? Would it be more patrols of our borders? Would it be those types of things? I just wonder what she would advocate.

Mrs. Ablonczy: I thank my colleague for his question. It is clear that we need to examine this matter of putting some inhibitions on the use of cigarettes by citizens in our country. There are a number of ways that this can be done, some of which I mentioned when I spoke earlier in the debate. I think this matter of an export tax would take a lot of the economic incentive out of smuggling activity. That is a very important consideration.

I think there can be better enforcement through higher penalties for this type of activity. There has to be a cost benefit analysis for people engaged in cigarette smuggling. If the costs start to outweigh the benefits then we will find fewer people finding it attractive to engage in cigarette smuggling.

(1625)

We also need to start educating citizens about the cost to them of the use of cigarettes. A lot of us as citizens are under the impression that somehow things are free, particularly health care costs associated with the use of cigarettes and that this is paid for by government or by the health care system. In fact, these costs are paid by Canadians who work very, very hard for their money and who then turn it over to government to administer programs that protect us from the consequences of certain actions.

Canadians need to have some cost benefit analysis for themselves as well, realizing that the buck does not stop anywhere but with us and it does not come from anyone but us. Then I believe our choices will be a little more realistic when it comes to cost benefit.

When we talk about diminishing the use of cigarettes, diminishing the demand for smuggled cigarettes there are all of these aspects of enforcement and deterrence that are tied in together. That is why I recommended to the House a need to just back up a little bit and re-examine what we are doing here. I think we moved ahead too quickly when this legislation was first considered, promised and introduced. I think it can work better if we bring the pieces together in a more thoughtful manner. I think giving it a few more months and re-examining and redrafting some of its provisions would serve our country better than the bill before us.

Mr. Elwin Hermanson (Kindersley—Lloydminster): Mr. Speaker, I enjoyed listening to the comments of my colleague from Calgary North. I have two comments I would like her to respond to.

She related in her speech the importance she places on this issue. Knowing her personally I know she would not make those statements lightly. I wonder what her reflections are with regard to how serious the government is taking Bill C-32. I know my eyesight is failing me, but I do not even see a minister in the House during the debate of this very important issue.

The Deputy Speaker: Order, please. I must interrupt the member. I appreciate that he has not been here as long as some of us. It is quite contrary to our rules to make notice of the fact that a member or minister is or is not in the House because of the fact that he or she might be away for a very good reason.

Mr. Hermanson: Mr. Speaker, perhaps just a clarification. Even when there are no ministers in the House you are not allowed to make note of it? I am not speaking of anybody specifically. I see a parliamentary secretary has arrived and I appreciate that.

I will get on to my second comment. I was quite interested to hear my colleague from Calgary North speak about cigarette and tobacco advertising. She made the statement that it should be banned. This is quite a serious statement. I am sure she has some very concrete reasons for suggesting that. I would be quite curious to find out what rationale the hon. member has for suggesting that cigarette advertising should be banned in Canada.

Mrs. Ablonczy: Mr. Speaker, we learn so much every day from the Chair and we appreciate that.

My colleague asked me to comment on two things. One was how seriously I think the government is taking this matter of health hazards associated with these attempts to diminish cigarette smuggling. I think the government is serious about the problem. There has been an attempt to address it vigorously. The only problem is that I do not believe this way of addressing it is the most effective. I do not think it was well thought through. I do think the costs of this particular approach outweigh the benefits and that there can be some changes to the legislation which will make it much more effective in addressing the problem.

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All of us in this House including those on the government side are concerned that we not have a problem of cigarette smuggling in the country. We know the disruption and the social cost but we have to make sure that what happens to stamp out one fire does not start a bunch of others.

(1630)

The second thing mentioned by my colleague was banning cigarette advertising. This has not been talked about too much in the House. I guess my comments to start us thinking about advertising are these.

The goal of advertising is to create a need, to create a desire. In simple terms, why are we allowing an activity that creates a need and a desire in our citizens to use a product that is very harmful to them personally, has an enormous social cost and an enormous economic cost?

We need to sit down and do a cost benefit analysis on that. Yes, it does create some jobs and that is good, but at what cost? It seems to me that when we are so eager to legislate, to make moves to change social policies and social structures, this is an area that we really have not considered as seriously as we could.

I would suggest that it would certainly be an appropriate use of the legislative powers of the House to diminish activities that create a need and a desire for a very harmful product for Canadians and for Canadian youth.

[Translation]

The Deputy Speaker: Before we continue, 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 Hochelaga—Maisonneuve, human rights; the hon. member for Renfrew—Nipissing—Pembroke, trade; and the hon. member for Richelieu, mass layoffs.

[English]

Mr. Grant Hill (MacLeod): Mr. Speaker, I would like to be able to stand in the House today and state that I support this bill. If I were able to put on simply a politician's hat, there would be enough in this bill for me to support. As my colleague from Kootenay East said, this is one of those difficult bills as it has more than one unrelated issue in it.

The omnibus bill is a problem. I presume that they are all lumped together because of the excise tax component to them. However I would like to express my objection to an omnibus bill as an issue here and having said that, branch off into the areas of this bill that I do agree with.

I agree with a manufacturers' surtax. The \$185 million can be used to prevent smoking but of course that \$185 million must be used effectively. As far as I can determine it is only in effect for three years. I wonder what will happen after the three years are up?

I also agree with the excise tax on exports of tobacco. That makes sense to me. I believe that to have tobacco going across the U.S. border and coming back makes no sense at all. The government made a good attempt to try to treat fairly those retail and wholesale outlets with inventory on hand when the changes were announced. It was a reflection that this bill might have some effect on the businesses that dealt with tobacco products.

I have occasion to also agree with the airline tax changes and philosophically agree with the fact that there will be GST changes on businesses when people entertain at restaurants. Those are the portions of the bill with which I agree.

However, I pause to think about the portions of the bill that I believe are the most important. Those of course are the portions that relate to smoking and to cigarettes.

(1635)

I would like to express what expertise I have on this subject. I reflect back to my university days when in my medical training we spent two years of our lives in what we call basic sciences, studying books. We learned about anatomy, we learned about physiology, we learned about biochemistry, we learned about pharmacology.

The very first opportunity we had to deal with patients directly I was assigned an elderly patient, a fellow who had fought in the war. He was hospitalized in a veterans' hospital in Edmonton where I trained. He had a smoking related disease. He had emphysema.

I was particularly interested and keen to look after this man so well. He was my very first patient. I had responsibility for him. He was aged. He was in his mid-sixties. He had problems that related specifically to the fact that all his life he had smoked and he had emphysema. His chest was barrel shaped. He had difficulty breathing. He lay in the bed unable to get up. He was on medication that would hopefully prevent infection which often affects somebody with that disease.

I spent many hours with him. I spoke with him at length about his life, his family and his history. I spoke with him about his hopes, dreams and desires when he was a young person. I spoke with him in fact about when he started smoking and why he started smoking. Over a span of about six weeks I felt that I became his friend and his confidant. In fact he and I had many good hours together.

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As he slipped quietly and slowly into a state where he was no longer able to communicate, I remember very clearly his last words to me before he passed on. He called me doctor even though I was not at that point in time a full-fledged doctor. He said to me: "Doctor Hill, I beg you to tell the young people not to smoke. I beg you to tell them not to start".

I have never forgotten that man. I have never forgotten the anguish in his heart when he died of this problem relating directly to tobacco.

One of the things we did as medical students was participate in autopsies. One of our pathology experts was a somewhat ghoulish individual in fact. I felt that his way of dealing with material that was so special was quite interesting. He had a lung. It was a lung he had taken from a specimen that had smoked. He had a lung from an individual who had not smoked. With great delight he used to come into the anatomy lab for the young students and say: "I'd like to show you young students what it means to smoke". He took the lung from the person who had smoked and it was black as coal. It looked like somebody had sprayed it with spray paint. He would take that lung and squash it between his hands. After he squashed it he would let go of it and it would stay squashed.

Then he would show us the nice pink lung, the dried up lung from someone who had not smoked. This lung was not black as coal but was pink and supple. He would compress that lung and when he let go it would expand immediately back. It was in fact very much like a piece of foam rubber. He would shake his finger at us individually and say: "Don't you ever smoke. You are going to carry the medical message to the country. Don't you ever smoke".

I reflect back on my first hospital duties and the medical staff in the hospital where I first practised. I looked around the table at my confreres and over 50 per cent of the doctors in that room smoked. I graduated back in the late 1960s. I practised medicine from 1970 until coming to the House.

(1640)

I have noticed a significant change in the medical profession over those 25 years of practice. At the end of those 25 years—I hope not the ultimate end, I hope to be able to return to that practice if we can get some sanity back into the House of Commons—there was but one of the medical staff smoking.

The medical profession has learned over the last 25 years what a serious problem smoking is. It is a serious enough problem that I became a confirmed anti-smoking medical doctor. I lectured my patients about smoking. I begged my patients to quit smoking. I gave them nicotine gum to have them stop smoking. I tried hypnosis to get them to stop smoking. I sent them to acupuncturists hoping they would quit smoking. I gave them a medication called Inderal which we thought maybe would help.

I would like to say that you can usually tell how successful the medical profession is on an issue by how many different forms of treatment they have. If you are successful in the medical treatment there is one treatment. I gave you the list of the things that I tried to do as a medical practitioner to stop people from smoking. It is very difficult, very unsuccessful. I have to stand here and say that my success rate in my practice of medicine was singularly poor. I am embarrassed to admit that but it is true.

Smoking is highly addictive. It is much harder to quit once you start, and in my view all the efforts of the medical community should be directed toward youth to prevent them starting.

I believe the main problems with this bill are just those issues. All efforts are not being directed toward our youth.

I have youth in my family. I have given them every opportunity to be educated on this issue. I had a foster native son who chose to smoke and one of my natural sons also chose to smoke. Of course I asked them why. The answers they gave me were in both instances peer pressure and rebellion. If dad told me not to do it I probably should do it, and if my buddies told me to do it for sure it was going to be good. My firm hope is that those two sons of mine who chose to smoke will change their minds.

There are four main factors in starting to smoke. The price of the product is number one and this bill does have an impact on the price. Promotion of the product is number two and that is something that we can do something about. The product itself and the place in which you live are other factors in this issue. Societal factors are a big deal.

I believe that we should have freedom in this country. I believe we should have freedom to do many things that are harmful for us. It is extremely difficult to legislate people into doing what is good for them. I believe we should have freedom to eat junk food even though junk food ultimately may not be good for us. I believe we should have freedom to drink water, or juice, or alcohol even though one of those products ultimately may not be good for us. I believe we should have freedom to run home from the office for exercise or ride in a vehicle with no exercise.

I believe we should have the freedom to smoke if we choose to smoke but I do not believe that we should make it easy to start. I do not believe that we should encourage our youth to start. I certainly hope that this House will do none of those things.

(1645)

I tried to look with as much favour as I could on the government's strategy here because this was not just a smoking issue. I tried to ask what is the all-embracing, anti-smoking strategy of our health minister. I have not really been able to pin

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the health minister down on this issue, but there have been some pieces that have dribbled out in terms of that strategy.

The minister has said that the \$185 million that will be taken in the manufacturers' surtax will be used in large measure for advertising to prevent smoking. I said before that the money must be used effectively and I have yet to see an advertising campaign that would prevent teens from starting. It certainly will have no effect on adults who have already started.

I also heard the minister talk about plain packaging. Plain packaging has had a significant amount of input and feedback in our committees and a significant amount of witnesses on both sides of the issue. If plain packaging will make a difference to prevent youth from smoking I will support it and support it strongly.

I simply ask that before plain packaging is embarked upon, an expensive proposition, a job dislocation proposition, that we have proof it will work. In my view that proof is not so far away. There is a study at the University of Toronto looking at this specifically. I thought we would have a good study from our Department of Health. I am not sure of that anymore, but I hope that study will also prove that plain packaging of cigarettes would be efficacious.

The health minister has said eventually we will raise taxes. I hope that eventually is not so far down the road that eventually will never happen.

The other point that I wanted to bring up on this debate was the issue of the freedom in this House. There are actually more medical doctors in Parliament today than I believe have ever been in Parliament before. Three of them sit on the government side. I have listened to the three of them speak about their view on this bill as it relates to health. We are going to have individuals on this side of the House voting against my personal position on this bill. I have to oppose it for health reasons. I believe there will be members of my caucus who will stand up and say they disagree with me, they agree with the government. However, I will watch with profound interest what my medical colleagues do with this bill on this issue.

I reflect upon two members in the last Parliament who voted against their government on a specific piece of legislation. I watched what happened to them. I watched them removed from their caucus. One of those individuals is in this House today. I say to the medical individuals on the government side that if you vote for this bill you are voting against everything that your medical profession taught you. You are voting against the Hippocratic Oath.

I will watch with great interest, if they do vote against the government on this bill, exactly what happens to them in their caucus. If they get booted out of their caucus for voting for the

health of Canadians our government is down the tubes. I will state that as strongly as I can state it.

There is one thing that tobacco companies have done in terms of the advertising of their product. They have a mobile billboard that they are using now. The race cars that race on the tracks of this country are now advertising tobacco. I hate to say this because I am a race car driver, but the tobacco companies have found a way around the advertising ban.

As much as I hate to say this to Jacques Villeneuve who drives a car with logos all over it, this should not continue. The racing car fraternity will choke as I say this—millions of dollars being put toward the activity that I enjoy a tremendous amount—there should not be the allowance of cultural events sponsored by the tobacco companies. There should not be mobile billboards on the tracks of this country to attract our youth to smoking.

(1650)

I am going to use an illusion that comes from the race car world. When you are driving a car very fast you know that you are running into a wall of air. The car shakes and shudders, but if you can get right behind another car and draft that car you can go faster. The turbulence decreases, you can go faster than you could by yourself. Interestingly enough, you can push the car ahead of you faster. Drafting actually makes both vehicles go faster. It has something to do with the turbulence behind the vehicle that you are pushing.

I look upon this government as the car in the lead. I look upon this party as the drafting car, pushing the government faster than it would otherwise move. I challenge this government to keep us in the draft, continue with legislation like this and there could be a passing manoeuvre coming up.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I think the illustration that has just been used is an excellent illustration of what has been happening in this House. It is not just with regard to this piece of legislation, but the Young Offenders Act and some of the other things that have been happening are good examples of how an opposition that is strong and prods the government can have quite an influence in some positive directions that government can take.

That goes along with what this government is advocating, does it not? Is not this government saying it is listening, it wants that co-operation to take place, it is looking for input?

I hope it is listening because we are trying to make a point. We have been addressing this for quite some time and the health concerns are not going to go away. We have heard some of the statistics that have been quoted and some of the results of this legislation already coming forward on how smoking seems to be on the increase. It is a legitimate concern that we have.

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Coming back to the remarks that were made, I am not an expert in this area, someone who is in medicine of course would be. There are some people who will absolutely never smoke. No matter what advertising might take place, they would not be lured into that habit. There are others who will probably smoke no matter what contrary advertising took place. No matter what the government did to try to discourage that, they would still smoke.

There is a group on the edge. They can be influenced one way or the other. I would like the member to maybe comment in this regard about the vulnerable sector of our society that will be influenced by the price. Would that not be a factor that the government should consider?

Some will say they are not going to start smoking just because the price has been lowered. That may be true, there may be an element out there. Some will smoke no matter what the price is. That could be true. I am wondering if there is not an element in between there, a vulnerable element that would be influenced by price. I do not know if the member has any research or any opinion on that.

Mr. Hill (Macleod): Mr. Speaker, I happen to have some research and data on that issue. I think we should maybe join up in Question Period. We could have a very similar process as I see across the way.

Smoking increase is the first in 30 years, and this actually came across the wire this morning from Toronto on CP. For the first time in 30 years tobacco use is on the rise in Ontario and women account for most of the new smokers.

(1655)

Among those women age 18 and older smoking soared to 25 per cent this year from 19 per cent in 1993. These particular data suggest that the availability of cheaper cigarettes has halted the decline. In Canada that decline in smoking has been going on for 30 years and has perhaps reversed the trend. The fellow who conducted the research at the foundation said the greater increase for women is consistent with the fact that women's lower incomes make them more price sensitive than men and more likely to react to the tax cuts.

One of the tragedies in medicine is that women have overtaken men in terms of cigarette smoking, and cancer of the lungs in women has now overtaken the other horrible cancer in women, breast cancer, as one of the major causes of female death. Preventable illness—there is nothing in medicine more satisfying than preventing disease.

These data are the first data we have had made available to us. It has not been very long since these proposals have been on the books. Surely 30 years of decline in smoking with a sudden spike tells us something. This spike has nothing whatever to do with legal or illegal cigarettes. It is simply a spike, an indica-

tion. As we get more indications I think the government will backtrack on this bill. Why backtrack on it when we can prevent it right now?

Mr. John Williams (St. Albert): Mr. Speaker, I would like to congratulate my hon. colleague for the wonderful speech he made. I listened to the graphic details of what happens to our organs when we smoke and he talked about lungs that seemed to be rather unpleasant to see.

Then he went on to talk about the fact that it was against the Hippocratic Oath of doctors to vote in favour of this bill and he expected any doctor in the Liberal government would oppose this bill.

At the same time the Minister of Health acquiesced while her government introduced this legislation and dropped the excise tax on cigarettes.

I would like to ask my hon. colleague what he feels the position of the Minister of Health should be and whether the minister should resign when her government has introduced this type of measure which will increase smoking. We have all agreed that it is going to increase smoking. We have started to see the effects of it already in the statistics.

The health minister by her position is dedicated to protecting, enhancing and improving the life of Canadians.

I would like to ask my hon. colleague what he feels her position should be and whether the minister should resign based on what the government is trying to do.

Mr. Hill (Macleod): Mr. Speaker, I certainly do not think the health minister should resign on this issue. The minister has enough trouble without worrying about resigning on this issue.

Traditionally the health minister on an issue like this would be the strongest and most vocal supporter of the health of Canadians. I did watch with interest to see whether that took place. I am dismayed to report to this House that I do not believe it did take place. There seems to me to be at least four individuals who should vote against this bill.

I would strongly state that the Minister of Health should stand in this House and state her opposition to anything that would do what this bill will do and that is increase cigarette smoking in our youth. I state that strongly.

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, on February 8 this government announced its national action campaign to combat smuggling. Bill C-11 was introduced to address some of the enforcement measures and tax changes were implemented using a number of ways and means motions until Bill C-32 was introduced on May 27. As has already been outlined, there are a number of positives mixed up in the bill with the obvious negative of lowering cigarette taxes and thereby lowering the price of cigarettes to smokers.

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(1700)

On February 10, I wrote a column on this very issue for newspapers back home. It was printed in all the local papers. I think it is of interest and I would like to quote from my column and read it into the record:

The Prime Minister says there is a breakdown in respect for the law in Canada and this will no longer be tolerated. His House leader states that smuggling is a crime and we must restore law and order. Brave words, hopefully to be followed by strong action undertaken with a resolute strength of will.

The government unveiled its national action plan to combat smuggling, the objective being to eliminate cigarette smuggling in Canada. Like most government plans, it is a mixture of good and bad. Its plan to step up enforcement by police forces and customs officers is certainly commendable as is the implementation of an \$8 per carton export tax.

Stepping up the anti-smoking education campaign is also a positive move. However the government's announced reduction in taxes on legal cigarettes sold in Canada must surely be a disastrous error. Make no mistake, the federal government struck this deal primarily for the benefit of one province.

Quebec has been clamouring for action on this for weeks. Almost immediately after the Prime Minister's announcement, Quebec indicated its willingness to participate fully in the tax reduction scheme. As a result, the price of a carton of cigarettes in Quebec will fall from \$47 to less than \$23 when federal and provincial taxes are removed, along with relevant GST and sales taxes. What is the fallout from this?

Criminals have been sent the message that we cannot protect our borders or enforce our laws, particularly on the Akwasasne Indian reserve through which an estimated 70 per cent of contraband tobacco is funnelled. We will instead lower the price of legal cigarettes and compete for their customers.

Provinces other than Quebec will be forced to match the tax reductions. If not, an international smuggling problem will simply become an interprovincial one. Every province will face a resultant drop in tax revenue at the very time they are all struggling to balance income with expenditures.

Price is a deterrent. Cheaper cigarettes will act as an incentive for Canadians to start or to continue smoking, especially our youth. The end result will undoubtedly be higher health costs for all Canadians in the future.

For years, our policy has been to attempt to offset the costs attributable to smoking by levying higher tobacco taxes. Now suddenly with one stroke of the pen, this government has reversed that policy. This new policy of reducing domestic taxes in lieu of initiating a higher export tax will primarily benefit the tobacco industry by maintaining or increasing current cigarette consumption levels.

If past performance is any indication this government, just like its predecessor, will lack the political will to follow through with its announced crackdown on smugglers. In my opinion what is needed is a comprehensive plan which would include strict enforcement of our laws. If the present police and customs forces are inadequate as the past record of seizure of only an estimated 1 per cent of illegal cigarettes would seem to indicate, then those forces should be augmented.

If necessary, our armed forces should be called upon to assist with this mission. Perhaps a little trip down the St. Lawrence might make a good shakedown cruise for our new frigates. It is time for politicians to make some tough decisions and give the police a mandate to enforce our laws.

That was my column on February 10. What has changed since February 10? I note not a lot.

I would like to change the focus of the debate a little at this point and talk about cigarettes from a personal perspective. I have been a smoker for approximately 25 years.

(1705)

Mr. Young: Shame.

Mr. Hill (Prince George—Peace River): Shame. That is right.

When it comes to quitting smoking, I am a professional quitter. I have quit hundreds of times. However, I can attest to just how powerful a hold cigarettes have on an individual.

Make no mistake, nicotine is a highly addictive drug. We have all heard that it is perhaps even more addictive than the drug heroin. I started smoking when I was 16 years old and as one of my colleagues remarked earlier, being raised on a farm I started smoking out behind the barn at a very early age. Why the barn did not burn down I have no idea.

At that time cigarettes were 35 cents a pack. I can remember very clearly when they were raised to 50 cents, then 75 cents, finally climbing to \$1. Of course with each price increase a few more people would quit smoking. That is the reality of it.

I can remember my father for one stating that when cigarettes got to be \$1 a pack that was it, he was going to quit smoking. It certainly was a deterrent for young people and although that was many years ago I was a young person at that time. It was hard to come up with 35 cents some days.

Last night on my way home I stopped at a corner store to purchase a package of cigarettes. Three dollars and thirty cents is how much it costs to buy them by the pack. I heard an hon. member earlier state that they are down around \$2 a pack if you buy them by the carton.

The very thing we spoke out about in February when the government announced this legislation and their intentions are actually coming about, the lower cost of cigarettes in central Canada. With the resultant lower cost we are starting to see an increase in consumption, especially among young people who would not be able to afford cigarettes in many cases at \$7 a pack or thereabouts where it was a while back.

I ask the government, what message does this send to teenagers. That it is this frivolous with their health? The government cares this little about the health of teenagers that it lowers the cost of cigarettes like this. Tobacco is a drug addiction. I would

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equate it to alcohol. Once you become an alcoholic everyone recognizes that you are an alcoholic for life. It does not matter if you have not had a drink for 20 years, you are still an alcoholic. Past alcoholics who are successful are people who recognize that fact and never take that first drink. I can certainly attest to the fact it is very similar once you take that first cigarette. It does not take long for nicotine to take hold of your life again.

Probably since the lowering of the tax and consequently the cost of cigarettes, in the neighbourhood of hundreds or perhaps even thousands of young people have begun to smoke. Certainly a lot of young people who perhaps would seriously have considered giving up the cigarettes are continuing to smoke.

As I outlined in my column, the international smuggling problem has become an interprovincial one. Westerners, the people I represent, feel very disenfranchised by this. They feel they are second class citizens when they know what the price of cigarettes is in central Canada and it is still over \$6 a pack back home.

Polls are indicating, as some of our hon. members have indicated, that the use of cigarettes is going up for the first time in recent history. Common sense would seem to dictate that hon. members opposite should vote against this, but common sense seems to be sadly lacking on the other side of the House on this issue.

(1710)

In conclusion, I would like to sum up by making three points. My colleagues have addressed the majority of their concerns with this legislation.

Nicotine is a powerful drug. It is well if we all remember that, especially when it gets a hold on our youth, when the youth take to smoking.

There is ample evidence to note that smoking is dangerous to a person's health. I know that used to be disputed for many years. Certainly when I first started smoking it was not as well known as it is now just what are the inherent dangers of cigarette consumption. We are just beginning to learn about the real danger of second hand smoke to our children, to our spouses, to people around us in the workplace.

I find it somewhat ironic that the government would initiate lowering the cost of cigarettes at the same time as municipalities across the country are having smoke free zones, smoke free buildings. Yet the government through this lowering of the cost of tobacco is actually encouraging people to either begin to smoke or to continue smoking.

We note that the government has no real handle on what the cost to future taxpayers is going to be in health care. It is very relevant to remember that it is future taxpayers who are going to pay this. Just like the deficit and the debt, we are passing on this cost to our children.

Miss Grey: Pass the buck.

Mr. Hill (Prince George—Peace River): That is right, pass the buck.

Miss Grey: Pass the butt.

Mr. Hill (Prince George—Peace River): Or pass the butt.

The third point I want to come back to is that price is a deterrent. I can attest to that, as I said earlier. Any young person who smokes today would also be witness to that fact. There is a big difference at \$2 or \$3 a pack than if it is \$7 or \$8 a pack of cigarettes in how much they will smoke or whether they will even continue smoking.

I am very pleased to be able to rise today and voice my opposition to Bill C-32, not because, as other speakers have said that it does not have some good built into it but that strictly on health reasons alone I feel that in all good conscience, if we care about future generations, if we care about the young in Canada, we should vote against this bill.

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, one of the reasons I enjoy going home from Ottawa is not simply because the humidity is much less, although it is partly that. There is a lot of space, that is true. But there is also a lot of common sense out there.

One of the things that Cariboo—Chilcotin people are often criticized for is perhaps their lack of subtlety. There may be some subtlety in this bill that I find distressing.

If I remember correctly the reason we came at this is because of a problem with smuggling. We have heard hon. members talk about the consequences of this problem on the lives of community members where this smuggling was taking place, the hardships that people endured with smuggling taking place in their driveways, of not being able to deal with the threats that were involved, of the police being overwhelmed. There is no denying the government was confronted with an enormous problem.

The difficulty that I have and the subtlety that I am speaking to is that the problem has been taken from the streets of these communities and passed in general to the young people across the nation. The problem is such that the lives and the of these people are going to be affected at a time when the federal and provincial governments are facing enormous problems with the country's medical plan. In a sense, we are placing extra burdens on the medical profession and the hospitals in caring for people in the long term.

(1715)

This kind of subtlety, this kind of passing the buck, or the butt as we have mentioned this afternoon, raises an extremely important moral issue. It does deal with the original problem but it makes the problem move from that area of the country and generalizes it across the country. It increases the difficulties for

many people and increases the costs for a long, long time to come.

My hon. colleague has spoken so well of the difficulties of smoking in his own life. How would he encourage the government to deal with the smuggling which was the original problem the government faced?

Mr. Hill (Prince George—Peace River): Mr. Speaker, I certainly thank my hon. colleague for his comments and his question.

As he so ably put it, the government was faced with a horrendous problem, the smuggling problem in Canada. As I said in my column, 70 per cent of it had been identified as coming through the native reserves in central Canada. What I advocated then and what I still advocate is we have to get tough with law breakers no matter who they are and no matter where they are in our country.

I felt then as I do now that a dual approach is needed of raising the export tax enough to take away the incentive as well as clamping down on smugglers wherever they may be, even if it were to cause bloodshed. If we have laws on our books but are not prepared to enforce them, then what good are they?

This government developed a national strategy with this legislation to address primarily a central Canada problem. Certainly we did not see the same problem in western Canada. If it had been there those governments would have reduced their cigarette taxes as well and they have not, except by a minimal amount.

We have to get tough with the smugglers instead of sending them a clear message that we will compete with them for their own customers by lowering the costs. If we follow this train of thought through where does it lead? Other things are smuggled into the country. Are we going to address them in the same manner? That is ridiculous.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, once again speaking as someone who might be a proponent of the bill, my hon. colleague who has been a smoker for 25 years, does he believe that Canadian smokers will only smoke Canadian cigarettes if there is a large price differential? Does my colleague not have concerns about other damage to society which might occur if the ill-gotten gains of cigarette smuggling were to find their natural investment path in other criminal activity?

Mr. Hill (Prince George—Peace River): Mr. Speaker, speaking as an experienced smoker, I can tell my hon. colleague that Canadian cigarettes are the best cigarettes in the world. I have travelled in Europe and I have travelled quite extensively in the United States. I must say their cigarettes and tobacco simply do not stack up. I am quite prepared to state that yes,

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Canadian smokers would be prepared to pay more for Canadian tobacco. That is a great indication of what a terrific job Canadian farmers do in growing quality products.

(1720)

Mr. John Williams (St. Albert): Mr. Speaker, I congratulate the member on his fine speech. He mentioned the problems he has had in wrestling with smoking for 25 years.

We have been talking about reducing the price of cigarettes making them affordable for young people. More and more young people, especially young ladies, are starting to smoke. We heard the medical opinion from my colleague from Macleod who told us how dangerous it is, how it ruins one's health, ruins one's lungs.

My hon. colleague personally knows how difficult it is to stop smoking. I think he said he has tried at least a thousand times, so he is a professional stop smoking person. I would therefore ask, is it far more important that we put the emphasis on making sure people do not start smoking rather than allowing them to start, thinking we will to convince them to quit later on by raising the taxes through the roof? Surely it would be much better to focus on not allowing these children to start smoking.

Mr. Hill (Prince George—Peace River): Mr. Speaker, I agree the emphasis has to be placed on trying to educate the young people. With my three young children at home I certainly have endeavoured to do that. I have tried to tell them to do as I say and not as I do, obviously.

Although I have smoked on and off for 25 years, I did quit for four and a half years at one point, quite an accomplishment I felt at the time. However, along came the 1988 election and by the time I had gone through the election I was smoking again. It might say something for the profession I am currently in.

As to what we can do to encourage young people, I think it is incumbent on every one who has children or young people around them—if you are a coach of a team, if you have young nieces, nephews, grandchildren, whatever—to certainly encourage them not to smoke and to warn them about the dangers of smoking. That is something each and every one of us can do.

I do not believe, as someone else said earlier, that plain packaging or government advertising programs which spend millions of dollars will be that effective. I have talked to a number of young people. When they see these frightening ads on television that try to portray the danger of cigarettes, they do not relate to them. Peer pressure is much greater and it will not be offset by that advertising.

Personal contact from people they know and trust, their family and friends, would be much more successful in preventing them from starting to smoke or convincing them to stop if they do start.

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Mr. Milliken: Mr. Speaker, I rise on a point of order. I think you might find there is unanimous consent to revert to presentation of reports by committees to table the report from the Standing Committee on Procedure and House Affairs which I attempted to do earlier.

The Deputy Speaker: Is there unanimous consent to revert to presentation by committees?

Mr. Hermanson: I rise on a point of order, Mr. Speaker, just to clarify it is the one report the hon. member is bringing forward.

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I have the honour to present the 32nd report of the Standing Committee on Procedure and House Affairs regarding the membership of committees.

If the House gives its consent I intend to move concurrence in this report in a couple of moments. To save reading at the table, I should say that the report changes the associate members of the Standing Committee on Industry by adding three names.

I ask for the unanimous consent of the House, Mr. Speaker, that the 32nd report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

[Translation]

The Deputy Speaker: Is there unanimous consent from the House?

Some hon. members: Agreed.

(1725)

[English]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I move that the 32nd report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

GOVERNMENT ORDERS

[English]

EXCISE TAX ACT

The House resumed consideration of the motion that Bill C-32, an act to amend the Excise Tax Act, the Excise Act and the Income Tax Act, be read the third time and passed.

Mr. John Williams (St. Albert): Mr. Speaker, Bill C-32 has been introduced by the government to make some changes to the way we tax cigarettes.

Remember that what caused this bill to be tabled in the House was the smuggling problem we had along our border with the United States. I think back and say that a nation is not a nation if it cannot defend its borders and if it cannot enforce its laws.

It is from that beginning that we are debating a bill which is going to dramatically reduce the taxation of cigarettes and tobacco and will cause young people to start smoking. These young people in essence are going to put their lives on the line. They may die an early and difficult death in order for this government to defend its borders and enforce its laws. That is quite a tragedy we are putting on the shoulders of some of our young people.

We have watched while the federal government has frittered away its authority to protect its borders. In January and February the government took questions every day in this House from members regarding what it would do while millions of dollars worth of cigarettes were being smuggled across the border. Unfortunately the government members sat there, took the questions and basically did nothing.

The RCMP would not enforce the laws of the land. Smugglers, criminals, were able to cross over with impunity bringing cigarettes illegally into this country. The irony and the insult is that the cigarettes being brought into Canada were being exported by this country. They would go through a security check, come back on a tax free basis and compete with cigarettes being sold in the stores. Yet the government did nothing whatsoever about it.

The whole problem arose because this country has a very high tax on cigarettes, which is great because we do not want to encourage people to smoke. We exported the cigarettes tax free and they went into the various native reserves along the border between Canada and the United States. They would come back into Canada on a tax free basis. An illegal distribution system developed over a period of years while the government sat by and did nothing to protect its borders. It did nothing to enforce

the laws and the criminal element raked billions of dollars away from the legitimate businesses of this country.

Who knows where that money is today, but we do know that some of it bought guns. Every night we would see on television boats and skidoos crossing the St. Lawrence River between the United States and Canada. We would hear the crackle of gunfire. Yet this government stood back and did nothing whatsoever to enforce its sovereignty and enforce the laws to ensure that this country protected its citizens from the illegal cigarettes being brought into Canada. The government was elected to uphold democracy in this society and it refused to do its job. Now we have another bill before us, Bill C-33. When I talk about the supremacy of its laws I was rather taken aback to read one particular clause in Bill C-33 regarding land claims agreements:

In the event of a conflict or inconsistency between a final agreement or transboundary agreement that is in effect and any federal or territorial law, including this Act, the agreement prevails to the extent of conflict or inconsistency.

This says that the government has given way and is no longer saying that the laws of this land will have supremacy over Bill C-33. Bill C-32 is another example where the government will not enforce the laws of this country.

The government introduced a law to reduce the duty on cigarettes. It raised the age from 16 to 18 and turned many thousands of young Canadians into criminals instantly. One day they were allowed to buy cigarettes perfectly legally and the following day they could no longer buy cigarettes. Once they were hooked and able to buy cigarettes the government changed the law and said: "That is going to be illegal. You can no longer buy cigarettes if you are under the age of 18".

The Deputy Speaker: I am sorry to interrupt the hon. member.

It being 5.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

CANADIAN BROADCASTING CORPORATION

Mrs. Jan Brown (Calgary Southeast) moved:

That, in the opinion of this House, the government should immediately initiate the privatization of all or part of the Canadian Broadcasting Corporation.

She said: Mr. Speaker, I am honoured to rise and lead off the debate on Motion 278 which urges the immediate, partial or complete privatization of the Canadian Broadcasting Corporation.

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On May 4, 1994 the minister said there are some aspects of the CBC operations that could be privatized.

When we look at the question of the future of the Canadian broadcasting system emotions often run high. I hope that the debate today is rational, thought provoking and well intentioned.

Certainly I recognize how difficult this issue is to raise on the floor of this House. There has been a nervousness exhibited by the industry that tells me how very sensitive it has become.

[Translation]

The CBC is made up of five totally distinct organizations: English radio, French radio, English television, French television and Newsworld. My speech today is especially and exclusively concerned with the television organizations.

[English]

We are often told that the attitudes of Reformers toward the free market and private enterprise are simply knee-jerk reactions to the deficit and debt situation that Canada faces. As well we often hear that the Reform Party is anti-culture. However, such allegations are quite simply false and do not benefit nor elevate the debate.

In the recent past whenever the subject of the CBC arose and its performance was put into question the charges of anti-CBC and thereby anti-culture emerged. This is a classic case of denial by those who call themselves supporters of the CBC, absolutely unwilling to accept any criticism of the mother court.

We must recognize and acknowledge at the outset of this debate that the CBC has problems and that these problems must be remedied. The CBC has existed in one form or another for a very long time. It has a distinguished history. Before I make my proposal on the matter of privatization I think it necessary to provide an historical backdrop by exploring the when, how, why and what regarding the evolution of the CBC. Having appreciated some of its history we will be in a better position to understand the CBC in its present circumstances to determine if it is accomplishing what it set out to do.

Ultimately, and this will come as no surprise to anyone, I do not believe that the CBC is able to fulfil its mandate any longer. What I hope to accomplish here is to set the process in motion that will assist the CBC in working through these very troubled times.

In the 1920s the Canadian National Railway developed a radio network of stations in Ottawa, Montreal, Toronto, Moncton and Vancouver. Its schedule included concerts, comic opera, school broadcasts and historical dramas. In 1929 the Aird commission recommended to Mackenzie King's government that public ownership of broadcasting was necessary to protect Canada against American cultural penetration. The Aird commission recommended the creation of a national broadcasting company with the status and duties of a public utility and a source of public funds to develop a service capable of fostering a national spirit and interpreting national citizenship.

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(1735)

It specifically called for the elimination of the private stations albeit with compensation. Because of the economic crisis of the times, remembering the Aird report was calling for the further allocation of federal funds in the 1930s when federal coffers were not filled to overflowing, the consideration of the Aird report was delayed. This enabled some of the more powerful private stations and their principal lobbying agency, the Canadian Association of Broadcasters, to launch a campaign against it.

The basic principles of the report were defended by the Canadian Radio League, known as CRL, an informal voluntary organization set up in Ottawa in 1930. It prepared pamphlets stating the case for public ownership. The CRL recruited other voluntary organizations as well as representatives from business, banking, trade unions, the farming community and educational institutions and sent a formal delegation to meet the minister of marine.

The new elected Conservative government of R. B. Bennett, after defeating Mackenzie King's Liberals, responded to the appeals of the CRL by passing the Canadian Radio Broadcasting Act in 1932. It established a publicly owned Canadian Radio Broadcasting Commission, known as the CRBC, with a mandate to provide programs and extend coverage to all settled parts of the country. The CRBC took over the radio facilities of the CNR and began to broadcast in English and French.

Researchers who studied the CRBC say that it suffered from underfunding, an uncertain mandate and inappropriate administrative arrangements.

During his second term King was persuaded to replace the CRBC with a stronger public agency rather than abandon broadcasting to the private sector. In response to these pressures a new Canadian Broadcasting Act was introduced in 1936 creating the Canadian Broadcasting Corporation, the CBC. It was given a better organizational structure, more assured funding through the use of a licence fee and decreased vulnerability to political pressure.

Successive Canadian parliaments have decided that broadcasting should be an instrument of national purpose. For this they set up a publicly owned system within which private and commercial broadcasting have always had a place. The clear intent was then and still is today to give the dominant role to the public service, yet the pressures of the private broadcasters are now stronger than ever and there is still no settlement of the conflict between service and profit as the guiding motive of broadcasting.

What appeared to be the same questions of policy are thought and rethought: Does Canadian broadcasting meet Canadian needs? Are we prepared to pay for a system to meet them? Can Canadian broadcasters provide increasing quantities of American mass entertainment without surrendering totally to the siren's call of a commercial ethos? What public controls should there be, if any? How should they be exercised and by whom?

What is quite interesting to note is these questions were being asked in the early 1930s as policy makers were addressing the need for a national broadcaster. These are the same questions that we as parliamentarians have to ask ourselves today as we consider the future of the CBC. We do the CBC and Canadians a great disservice if we fail to answer these difficult questions.

In fact it is extremely important to continue asking these specific questions as our economic, cultural and technological environment continues to change so rapidly. The expectations of our constituents are changing both in response to and in anticipation of these changes.

Remember the CRBC was underfunded. It had an uncertain mandate, one it could not fulfil. It suffered from inappropriate administrative arrangements. It was in response to those problems that Mackenzie King decided to address the problems of the CRBC. He ultimately decided with the best of intentions toward the health of Canadian broadcasting to strengthen the CRBC. He did that by creating the CBC.

When King decided to create the CBC he entertained arguments from all sectors before coming to a decision. In fact there were a good number of representations made by individuals and groups which were in favour of keeping broadcasting in the private sector.

The problems that plagued the CRBC are the same problems that plague the CBC today as I have mentioned: funding, mandate and administration. Exploring these problems should demonstrate conclusively that the CBC must change.

(1740)

Before I do that, I want to first discuss a problem that affects today's debate. It affects the CBC. It affects us as parliamentarians and ultimately it affects the Canadian taxpayer.

Quite simply the problem is the lack of access to information about the CBC. The Liberal government and the CBC both espoused an interest in hearing constructive criticism on how the CBC can better fulfil its mandate. I do sincerely acknowledge that.

Yet neither the government nor the CBC has been very accommodating in supplying the public with the information necessary to make constructive suggestions. The CBC receives \$1.091 billion. It was requested to appear before the committee for a full discussion on the estimates so that the committee could report to the House as it is permitted pursuant to the standing orders.

Unfortunately the CBC and the government decided that the single largest funded organization in the Department of Canadian Heritage, the CBC, which receives one third of the budget of the portfolio would not appear in time for the committee to make a report on this year's estimates.

The CBC's lack of timely appearance before the committee on the estimates is just one example that highlights perhaps the temerity of the Prime Minister and his government to take fiscal action and demonstrate perhaps a lack of sincerity by the Minister of Canadian Heritage who states that parliamentarians will have a large contribution to make in the future of the CBC. How can the government continue to express this openness to the Canadian taxpayer by such actions? I ask these questions.

In 1991, the Tories introduced a new broadcasting act. The Minister of Canadian Heritage seems content to extol the virtues of this act without meeting its compliance requirements. For example, on April 6, 1994, I sent a letter to the Minister of Canadian Heritage, a letter to which he has yet to reply.

The letter reminded the minister of his obligation under section 54 of the act. Let me share with this House that obligation. The CBC is required to provide every year for the minister a copy of the corporate plan of the Canadian Broadcasting Corporation. As well, the CBC must also provide a summary of this plan under section 55(4) of the Broadcasting Act.

The minister must submit the summary to the House. Since the Broadcasting Act has been enforced since 1991, no summary has been tabled in the House of Commons. This is in direct violation of the act. Today however, curiously the summaries for these years 1991 to 1994 did appear at the standing committee.

How can we as parliamentarians participate in the debate when the government withholds information? Unfortunately this is not the only example we have of finding the CBC in a closet environment. In early May my office contacted the CBC seeking budgetary information on the CBC sponsored national journalism symposium.

The CBC would not provide the information. Therefore on May 24 I wrote to the minister requesting the information. The questions were simple. How much money was spent on the symposium? The CBC brought people from all over the world at taxpayer expense to this conference, a conference which was not even open to the public.

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How much was spent on travel for the symposium? The symposium was held for the first time last year and even last year's figures are being withheld. As well, the Minister of Canadian Heritage has admitted that the federal government commissioned a study from the Nordicity group to explore alternative means by which the CBC could generate revenue.

When my office approached Nordicity and the government for a copy of this report, neither would produce it. What is this government hiding?

Despite the fact that there is a great deal of information that we cannot access, there is enough information in the public domain to adequately demonstrate that the CBC is facing a crisis. When I say that I am not fearmongering. I am simply stating the obvious. As a nation, we are not poor. We are just broke. We are \$519 billion in debt.

Public television is facing a reality jolt. Canadians are being asked to make priority choices. The primary services competing with public television include education, health and welfare. I believe that we can keep the necessities that both serve the public interest and ensure the survival of the company.

Consumers are faced with a multiplicity of channels today. Most areas that receive cable already have some 50 channels and just two weeks ago the CRTC issued licences to 10 more channels. As technology continues to develop at this rate, there will no longer be a need for the CRTC to issue licences.

The reality of a much heralded 500 channel universe is with us. Regardless of whether there will be 100 channels or 500 channels there is going to be in the very near future extraordinary competition to maintain market share. There seems to be a consensus in the history that one of the best ways for a broadcaster to survive in the market would be to specialize. The CBC will have to dare to spend more time doing less but better and make itself unique.

(1745)

The CBC has hit the wall. It is continuing to lose its audience support at least in its English television market. One needs only to look at how much ground it has lost in its news broadcasting in the last five years to prove this.

In 1993-94 the CBC actually fell dramatically from its previous year. We saw another television station, the CTV, jump dramatically. Also employees within that environment are becoming increasingly nervous. In the last few months in order to replace people who have quit the corporation the CBC English television network has witnessed a new president, several new vice-presidents, and the resignation of the chairman of the board of the CBC.

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The sad truth is that the CBC is undergoing a profound transformation but in an unsatisfactory, unsystematic and ad hoc manner directed by those who have magnificently proven how little they deserve the confidence of the viewing public or the employees of the corporation.

I would like to reiterate some of the problems that face the CBC, all of which are interrelated. We have tough economic times with competing priorities for government funds. CBC appropriations are not likely to be increased. Technological convergence has caused great competition throughout all the industry, but it is contributing to decreased audience support not only for the CBC but for others.

The CBC has been forced to seek out greater advertising revenues to make up for its budgetary shortfalls. This has resulted in the perception that the CBC is airing too much American material and that Canadian content is being sacrificed. I have also mentioned the criticism about the CBC withholding information from the public. Surveys show that there has been a dramatic decrease in the number of people who believe that the CBC assists in maintaining distinctive Canadian culture.

In the light of these problems what should we do, acknowledging that I am not the definitive catalyst to resolving these problems but only a foot soldier attempting to clear a path for more open debate? As mentioned it is my understanding that the Minister of Canadian Heritage has commissioned a study to seek out alternative means of funding for the CBC. He has also stated publicly that he is in favour of partially privatizing the CBC.

Now that the CBC needs a new chairman, the minister has an opportunity to do two things. He can make good on the promise the Prime Minister made to give the standing committee more power by asking the committee to provide him with a list of three names for his consideration and appointment to the chair of the board of directors of the CBC.

The CBC already procures more than 50 per cent of its Canadian drama from independent producers, up from essentially zero a decade ago. A policy to increase external drama purchases further would provide additional stimulus to the development of the competitive independent production industry and I suspect lead to lower production costs. As well, an idea to save money would be to encourage more co-operation between CBC's English language and French language network services. The exchange of programs should be actively pursued and some programs jointly produced or procured.

Further to this we should do three things. First, the Canadian public needs more access to information about the CBC. The arm's length principle is often trotted out as an excuse to keep information from the public. Providing such information does not violate the cultural integrity of this crown corporation, and it should not be exempt from the Access to Information Act.

Second, all financial information should be readily available to the public just as it is for any other government department. The auditor general should be required to regularly perform audits within the CBC based on general accounting principles. As well the AG should regularly perform forensic audits which should also be made public because presently this crown corporation under part X of the Financial Administration Act is exempt from regular forensic audits.

Third and most important, it is not my job to develop the plan by which the CBC will reorganize itself. That is the job of the experts within the CBC and those financial advisers with the capabilities to assist them. Quite bluntly, and this is the core of my message, I believe the government should now direct the CBC as it directed Petro-Canada to prepare an initial public offering on the basis of complete or partial privatization of the CBC by the end of 1995. If the minister believes in partial privatization as he has stated then he can do no less.

The timing for this share issue is critical. Employees in the CBC must sense that something is wrong. Talented individuals are defecting. They are bailing out. Ill-planned, unexpected budget cuts and juggling schedules have resulted in the loss of talent as well as lost corporate support. Something surely is rotten.

What seems clear is that in an increasingly multichannel environment the current mandate of the CBC to provide a wide range of programming that informs, enlightens and entertains is too broad. Therefore the mandate of the CBC also needs to be revisited and made dramatically more specific so that the CBC is able to specialize as it downsizes and privatizes.

(1750)

[*Translation*]

It cannot do everything it did, but if we make the difficult decisions now, it will survive in some form that can last for years.

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage): Mr. Speaker, in the next few minutes, I would like to comment on the motion presented by the Reform member for Calgary Southeast. It is Motion No. 278, which advocates the partial or total privatization of the Canadian Broadcasting Corporation.

First of all, I want to say that my colleague, the Minister of Canadian Heritage, is not considering any privatization of the CBC. This corporation was created in 1936 by the Liberal government of the day especially to give Canadians control over broadcasting in Canada.

Even today, the CBC remains the cornerstone of Canadian broadcasting policy. The present Liberal government also considers this national public broadcaster to be essential.

The CBC has followed the evolution of our country over the decades and today its importance justifies its continuing to receive public funding. After all, it is thanks to the CBC that Canadians get to know one another better and stay in touch locally, regionally, nationally and with the whole world.

[*English*]

The previous government had an addiction to privatization. It even had in hand a resolution passed by its party membership calling for the complete privatization of the CBC, but it too recognized that this was not a viable option. It was also the Mulroney government that took a scalpel to the corporation and forced some very painful surgery. In an interview given shortly after his appointment the Minister of Canadian Heritage described such treatment as *de facto* privatization.

Our new government made a clear commitment prior to the October election. We committed to stop forcing the CBC into anorexic behaviour in recognition of the vital role it plays as a national cultural institution. We also committed to finding the right means of providing the corporation with stable, multiyear funding.

Just three months after the election, on February 3, the government made its first stride toward meeting our commitment. At that time the Minister of Canadian Heritage announced a strategy for the CBC designed to give the corporation the capacity to plan for the future with confidence and to be the distinct Canadian voice we need as we continue to forge our national identity.

The first step in this strategy was the Prime Minister's announcement of a new president for the CBC. With the appointment of Anthony Manera, the CBC can continue to benefit from the talents of an individual with a distinguished career both within the corporation and beyond. I beg to differ with the hon. member. I understand Mr. Manera has appeared twice before the committee and has been very forthcoming.

Mr. Manera's commitment to the ideals of public broadcasting and his intimate understanding of the challenges facing the corporation were among the attributes which earned him the reins of our most important cultural institution.

While the previous government's commitments are still filed under fiction our government has taken decisive action to achieve our commitment to stable, multiyear funding.

(1755)

The government has already announced that it does not intend to impose new cuts on the CBC over the next five years. It is prepared to reprofile the cuts announced in April 1993 so that

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they can be more easily digested by the CBC. In effect this reprofiling represents an investment of \$100 million from the consolidated revenue fund as the program cuts will start to be implemented in 1996-97 rather than 1995-96.

In addition to this reprieve the government has also recognized that the corporation needs more businesslike flexibility. This is being provided through the CBC's new power to borrow up to \$25 million under highly specified circumstances and with the case by case approval of the Minister of Finance.

Most recently the minister announced his intention to consult with his colleagues, the new CBC president, and other players in the industry to identify other revenue generating mechanisms for the CBC which could lead to a reduction in the corporation's dependence on commercial advertising revenues. The minister also confirmed recently that the Standing Committee on Canadian Heritage of the House would undertake the review.

These commitments are consistent with the government's desire to give the corporation some flexibility in terms of its strategic orientation.

[*Translation*]

This government believes that instead of taking financial resources from public broadcasting for the benefit of private broadcasting, as the Reform Party's privatization proposal suggests, we must try to find ways to do the opposite.

With the advent of many television services, all private, the government must mobilize resources for the public sector and for the production and dissemination of Canadian programs. In this multi-channel world, the government must ensure the survival of the distinctive Canadian voice which the CBC represents.

That said, this government believes that the goal of redistributing resources for the benefit of the national public broadcaster can only be achieved through a public process in which parliamentarians, the general public and all concerned can participate.

[*English*]

The government is mindful of the concern felt by all Canadians about the economic situation we are currently facing. Our strategy for the CBC is based on a shared approach. We have granted the CBC important tools designed to restore financial stability and provide the corporation with a clear planning horizon. At the same time we have made clear to the CBC that our financial flexibility is severely limited and that we have expectations on how the CBC will manage its affairs.

Specifically the minister has notified the new president that the CBC would be expected to eliminate its structural shortfall and to absorb other costs, inflationary or otherwise, which may be required to carry out its operations. The government has asked that the CBC's development of a new corporate plan

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remain faithful to the objective of maintaining its regional presence and existing radio services.

These restrictions were deemed necessary in light of the unique and highly prized reputation of CBC radio services and the corporation's ability to serve national and regional audiences. We recognize the CBC is being asked to scale many challenges. We expect the corporation will have to adapt aspects of its operations. Over the course of the next several months the CBC will be on the receiving end of many suggestions about what kind of changes Canadians would be prepared to see undertaken.

Nevertheless the uncertainty which has prevented the corporation from planning beyond the current fiscal year has been eliminated. It is now possible for the corporation to take long term decisions and make multiyear commitments or investments aimed at improving the efficiency of the corporation.

(1800)

The most important result of these efficiencies is that they will allow the CBC to maximize its investment in the kind of quality Canadian programming we expect and need from CBC. It may be interesting to note that while technology has changed the issues and principles related to public broadcasting remained largely unchanged since the genesis of the CBC and its mandate.

The royal commission on radio broadcasting examined the possibility of establishing a Canadian public broadcasting corporation for radio in 1929. This commission, the Aird commission, stressed that a public broadcasting system should provide national coverage and varied programming which would be informative, educational and entertaining.

These principles have been echoed repeatedly in the parliamentary committee hearings, task forces and royal commissions dealing with broadcasting in 1951, 1957, 1963 and 1986 and they remain as relevant today as they were 60 years ago.

[*Translation*]

The Canadian broadcasting system is definitely characterized by a fair sharing of—

The Deputy Speaker: Order. The hon. parliamentary secretary's time has expired. The hon. member for Rimouski—Témiscouata has the floor.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, although the Bloc Québécois may disagree emphatically with the way certain situations are dealt with at the CBC, it does not support the motion presented by the Reform Party member for Calgary—Southeast to privatize the Canadian

Broadcasting Corporation, a name that is indeed more in tune with the cultural profile of this Crown corporation.

According to the Bloc Québécois, our public radio and television network should be preserved, but the government should oblige the corporation to deal with its problems. We are primarily concerned about the challenge to the corporation in section 3 of the Broadcasting Act, especially in paragraphs (l) and (m) and in a number of subparagraphs which read as follows: "The Canadian Broadcasting Corporation should provide a wide range of programming that informs, enlightens and entertains". The programming should reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions.

The programming should be in English and in French, reflecting the different needs and circumstances of each official language community, including the particular needs and circumstances of English and French linguistic minorities. Finally, the programming should contribute to shared national consciousness and identity.

But what is national identity and how should this mandate be interpreted? In Canada, the national identity is Canadian. So what is Canada? What is Canada about? How is it constituted? In addition to its aboriginal peoples, Canada has two founding peoples. There is more than one national identity in Canada and hence a problem for the CBC. Furthermore, the concept of Canadian identity does not include the Quebec identity. In fact, its purpose is to assimilate or even deny it. Canadian identity has the effect of acculturating Quebecers.

Quebec's march towards sovereignty started in 1960 with Jean Lesage. It seems to me that if the CBC had fulfilled its mandate while remaining neutral and objective, if it had tried to inform and enlighten, the rest of Canada would not ask what does Quebec want. We have said many times that we want to control the economic, social, political and cultural levers that are essential to our development as a nation.

Despite the reassurances of CBC president Anthony Manera that the mandate to contribute to a national identity will not interfere with the mandate to provide objective information and reflect the various views held in Canada, we are inclined to be sceptical. In fact, the most senior politicians in this country put a very different spin on this mandate and tend to cloud the issue.

To the Prime Minister of Canada, this mandate means, and I will quote what he said in this House on June 16: "The law says, in defining the mandate of the CBC, that it must inform people on the advantages Canada represents. This is the reason for the creation of the corporation. Objectivity is all we ask for".

(1805)

As if objectivity only meant showing the advantages.

To the Deputy Prime Minister, the corporation's mandate to contribute to national identity means, according to what she said on CBC radio on June 17, that the Canadian Broadcasting Corporation has a responsibility to acknowledge that one of its responsibilities is to promote Canadian unity.

As for Prime Minister Brian Mulroney, we know now that his political assistants regularly called the CBC to order it to promote Canadian unity, especially, it seems, during the Charlottetown episode.

At that time, CBC management had issued instructions reminding its journalists of current policy on the coverage of the constitutional debate. A document, and I quote: "also contains details concerning analysts and commentators". According to management, any guests who had publicly taken a position on the question at issue were to be clearly identified as such. The document went on to say: "If a political expert is an active sovereigntist, he must not be introduced simply as a professor of political science. If a commentator is a known supporter of unilingualism, this should be included in the introduction. Furthermore, one should point out, as appropriate, whether an editorial writer or columnist has taken a definite stand on the issues to be discussed.

As for the separatist witch hunt within the CBC, this goes back a long time.

In 1969, then president George Davidson was literally besieged by federal politicians who criticized the corporation's coverage that was biased towards the separatists.

Tensions had risen to such a degree that when the Parti Québécois was elected in 1976, the CRTC held public hearings on the subject, and its report made it clear that CBC reporting had observed the standards of professional reporting. However, many federal politicians, especially Quebec Liberals, argued that these journalists were not doing their job since the corporation had a mandate to promote national unity.

Former president Al Johnson said, and I am quoting Wayne Skene in his *Fade to Black: a requiem for the CBC*, referring to interference from federal Liberal members: "They made my life hell".

Meanwhile, considering the position taken by government members and their interpretation of the corporation's mandate, there is no indication it will be any different during the next provincial election and an eventual referendum, except for the assurances given by the president of the CBC. We will take him at his word, until further notice.

Before the advent of television, Quebecers listened to the radio. They listened to radio serials and to the daily news programs throughout the war. Not long after television appeared, Quebec was coming out of the so-called Dark Ages.

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Father Legault and his Compagnons de Saint-Laurent, the TNM, the Rideau-Vert and a number of celebrities who came over from France had made Quebecers develop an appetite for culture. The corporation was to continue this work, and the development of Quebec's cultural potential during the past thirty years was possible largely to the existence of the Canadian Broadcasting Corporation.

We remember travel documentaries with commentary by André Laurendeau, important political broadcasts with Judith Jasmin, "Point de mire" with René Lévesque, "Le 60" with Pierre Nadeau, "Noir sur Blanc" with Denise Bombardier, big variety shows, tv dramas which introduced us to a host of authors and which were also an opportunity for Quebecers to make a living by writing; tv series, either historical or contemporary, with rural or urban settings, concerts of every description, the "Soirée du hockey", and many more.

There is one particular sector I know very well, in which the corporation performed superbly, and I am referring to television programming for children, which has left several generations with some unforgettable memories. Remember "Pépinot et Capucine", "M. Surprise", "Grugeot et Délicat", "Marie Quat'poches", "la Souris verte" and "Bobino"!

Finally, Mr. Speaker, I feel I must mention one area where the corporation showed poor judgment, and I am referring to its decision to close television stations in eastern Quebec. I hope that as the corporation considers ways to deal with its problems, it will find a way to give eastern Quebec its voice again and thus improve the way it fulfils one of its mandates which is, and I quote: "to reflect Canada and its regions to national and regional audiences, while serving the special needs of those regions".

(1810)

[English]

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, it is indeed a pleasure to rise in this House in support of my colleague's private members' motion 278 which calls for the federal government to immediately initiate the privatization of all or part of the Canadian Broadcasting Corporation.

The topic of privatizing the CBC comes at a very interesting time. During debate on Bill C-17, the omnibus bill on budget implementation, it was no surprise that members of the government opposite were staunchly defending the CBC. They claimed the CBC is the vehicle for protecting Canadian tradition and heritage with its programming.

However, today I would be very interested to hear what these same members of the Liberal Party would say. Several weeks ago CBC television announced it was changing its programming. It is now going to make a grab for ratings and revenue with a fall schedule that has more U.S. drama and fewer Canadian entertainment programs in prime time.

Private Members' Business

It would appear that CBC television is moving away from being the voice which preserves Canadian culture. It would appear the CBC television is moving away from programming which is chock full of Canadian heritage.

It would appear the arguments used by numerous Liberals during the Bill C-17 debate now have a somewhat hollow ring to them. The fiscal and economic realities of the day demand that the CBC make these changes. I submit that for the CBC to become truly viable and competitive it should move toward privatization.

It is quite interesting to note how times have changed. In the words of CBC vice president, Jim Byrd, it would be nice if we could stick our heads in the sand and say let us not worry about revenue. Mr. Byrd realizes that the CBC cannot proceed this way as he explained why the corporation is moving toward more U.S. programming. Not long ago this type of head in the sand thinking was indeed the norm for CBC. Given the debate on Bill C-17 it would appear that line of thinking was prevalent among some members of this House.

Unfortunately Canadian taxpayers can no longer afford to foot the \$1 billion plus bill it costs to run the CBC every year. The taxpayer thinks in terms of dollars and cents. The taxpayer cannot understand why he or she must pay for something they generally seem not to want.

If one looks at the ratings of the CBC it becomes apparent that the CBC is not a very high priority for Canadians. In the interests of clarity I will outline 10 reasons why the CBC should move toward privatization.

The taxpayer of this country would seem to demand it according to the ratings and the fiscal realities that face the government demand it as well.

First, only 15 per cent of television viewers watched the CBC's English network for some part of the day in the 1990-91 season. The trend continued into the 1992-93 season when only 13.5 per cent of the viewing audience were tuning in to CBC television.

Reason number two is the declining audience viewing CBC during prime time which is between 7 and 11 p.m. In 1990-91 only 15.8 per cent of viewers were watching the CBC during prime time hours, which is any network's bread and butter. Two years later only 13.6 per cent were watching.

The third reason the CBC should be privatized lies within the programming. Huge sums of money are being squandered. A case in point is the marginal French service being offered by CBC radio stations in many parts of the country. CBUF-FM, the CBC's French language FM radio station in Vancouver, has a staff of 25 and an annual budget of \$2.2 million. Its average audience in any given quarter hour over its entire broadcast area is 100 people. This is according to the Bureau of Broadcast

Measurement. It is quite obvious that this is not an optimum use of taxpayers' money.

(1815)

The fourth reason, and it is similar to the previous one, can be seen in Edmonton's French language station, CHFA, which has a staff of 32 and an annual budget of \$2.4 million. Again, according to the Bureau of Broadcast Measurement, the station is lucky if it tops 600 listeners.

The fifth reason is that overall funding is increasing for the CBC while the number of people tuning in is decreasing. According to the CBC's 1993 financial statement, over \$941 million was spent on CBC television. One year earlier \$913 million was spent. What is the justification for spending \$28 million more on CBC television when fewer people are watching?

The sixth reason is that overall funding for CBC radio services went up from \$293 million in 1992 to over \$307 million in 1993 but listenership is declining. In 1991, 12.6 per cent of the listening audience had their dial tuned into CBC English radio. One year later only 11.7 per cent were listening.

A similar pattern occurs when we consider CBC French radio. In the spring of 1990, 9.1 per cent were tuned in compared to only 8.7 per cent in the fall of 1992. What is the justification for funding increases?

Reason number seven is the poor performance of CBC English television during the supper hour from 6 to 7 p.m. The regional CBC television stations cannot compete with their private counterparts during the all-important news hour.

In Edmonton the CBC news hauled in a paltry 8 per cent of viewers during the supper hour in 1992. In 1993 viewership dropped to 5 per cent. The same can be said on almost all regional CBC networks. In Regina the CBC was watched by 25 per cent of the viewers during the news hour in 1992. That number was cut by over half with only 12 per cent watching in 1993. The trend seems to be nationwide, fewer people watching, yet it takes more and more money to run the CBC.

Reason number eight is something called debt. Recent estimates put the CBC at a shortfall of \$180 million over the next four years. The CBC has a \$45 million deficit on its operating budget on revenues of over \$1 billion.

Reason number nine deals with the CBC's power to borrow money. Why is the federal government allowing the CBC to borrow money in the first place? Would it not be more financially sound to privatize, at the very least, portions of its operations, thereby realizing substantial savings? The savings could then be applied to finance new cost effective ventures.

Last but not least, the tenth reason for privatizing the CBC is the very nature of its existence. The CBC is changing its mandate. No longer will CBC television be the vehicle for Canadian culture and heritage. It is moving to more U.S. content in order to boost its ratings. Taxpayer dollars are no longer required to support the old mandate of protecting and promoting Canadian culture.

Private Members' Business

For the CBC to have the incentive to go after advertising dollars and increase its ratings, it certainly should move toward privatization. Privatization would ensure a viable CBC that should make money rather than fritter it away.

In the last 10 years about 2,000 jobs have been cut at the CBC in an effort to downsize and streamline the crown corporation. Despite drastic cuts to the staff budget, CBC's deficit continues to climb. There is no incentive at the management level to ensure a bottom line.

The federal government took another step toward killing the CBC's profit motive by giving it the authority to borrow another \$25 million. As long as this type of practice continues the CBC will remain an indebted corporation, and that is unacceptable to Canadian taxpayers. It is time for a major overhaul of "mother corporation".

(1820)

[Translation]

Mr. John Godfrey (Don Valley West): Mr. Speaker, I would like to begin my speech on this motion by reading an excerpt from my party's official pre-election program "Creating Opportunities", commonly referred to as the red book.

"Canadian culture embraces our shared perceptions and beliefs, common experiences and values, and diverse linguistic and cultural identities: everything that makes us uniquely Canadian. Culture is the very essence of national identity, the bedrock of national sovereignty and national pride. It gives meaning to the lives of every Canadian and enriches the country socially, politically and economically".

At a time when globalization and the information and communications revolution are erasing national borders, Canada needs more than ever to commit itself to cultural development.

Since its creation in 1936, the CBC has been and continues to be an essential mechanism for defending our national cultural sovereignty.

The motion now before the House deals with the possibility of privatizing all or part of the CBC. Let me just take a few minutes to remind the House of the services provided by the CBC and the raison d'être of Crown corporations. The Canadian Broadcasting Corporation was created on November 2, 1936 pursuant to an act of Parliament. It reports annually to Parliament on its activities through the Minister of Canadian Heritage. It provides comprehensive national broadcasting services in both official languages, that is French and English, in addition to running the Northern Service and Radio Canada International, a shortwave service for listeners abroad.

The CBC is governed by the Broadcasting Act and is regulated by the CRTC, the Canadian Radio-television and Telecommunications Commission.

[English]

The CBC has a permanent staff level of approximately 9,100 people. Seventy-five per cent of these employees are involved in program production and distribution, with the remainder providing administrative and support services. Apart from its own employees, each year the CBC provides work to about 25,000 Canadian artists, writers and performers such as musicians, soloists, members of groups or orchestras, singers, graphic artists, authors, critics, dancers, actors and actresses, to name a few.

It is the largest single employer of Canadian artists and has provided a training ground for many of our finest Canadian stars. Anne Murray, receiving one of her numerous and well deserved awards recently, thanked the CBC for giving her the chance so many years ago to launch her career.

The CBC has helped to develop and establish a wealth of Canadian stars whose unique ability to express their vision of Canada and what it is to be Canadian has helped us to know ourselves and each other. Without the CBC, Canadians would not have had the opportunity to share and appreciate the rich cultural diversity of our English, French, aboriginal and ethnic communities.

Talent development remains a key objective for the CBC. Variety specials with Canadian music stars and new Canadian artists as guests, the broadcasting of the Genie, Gemini and Juno awards programs are important tools through which our artists reach their public and gain national and international exposure.

The need for talent development is critical today, and of course more remains to be done. In an era in which new technology further fragments audiences and globalization diminishes national boundaries, the CBC's role in ensuring that there is a service to which Canadians can turn to see our images, hear our stories and be inspired by our artists is now more vital than ever.

The CBC is the principal instrument of the government's cultural policy. In 1994-95 its parliamentary appropriation is approximately \$1 billion, representing 62 per cent of all federal appropriations to cultural agencies in the portfolio of the Minister of Canadian Heritage. In addition the corporation expects to raise some \$396 million this fiscal year, mostly from television advertising, bringing its total resources to \$1.4 billion.

Private Members' Business

(1825)

With this funding the CBC offers an extensive array of separate services:

English and French television networks;

English and French AM mono and FM stereo radio networks, free of commercial advertising;

CBC North which covers more than four million square kilometres encompassing the Yukon, Northwest Territories, and Arctic Quebec by providing radio and television programs in English, French and eight native languages, also provides specialized training services for native broadcasters and journalists;

NewsWorld, 24-hour national satellite to cable English language news and information service funded entirely by cable subscription and commercial advertising revenues but achieves its quality level by making extensive re-use of news and current affairs programming that is drawing on public funding;

Radio Canada International, a shortwave radio service which broadcasts in seven languages, provides material specifically targeted for Canadians abroad, consisting of the most popular domestic CBC programs, and plays an important role in promoting Canadian artists abroad, is managed by the CBC and financed by the Department of Foreign Affairs.

Both the English and French television networks have reached a remarkable 88 per cent Canadian content level in prime time. The television networks provide a balanced mix of news, current affairs, dramas, arts, science, music, variety, sports and children's programs.

Including the non-prime time schedule, about 69 per cent of CBC television broadcast by the English and French networks is Canadian produced though not necessarily all by the CBC.

The corporation is an important outlet for the work of Canada's independent production community. In fact, about 48 per cent of Canadian entertainment programs shown in prime time are produced either entirely by independent producers or in conjunction with outside producers or agencies.

While AM radio covers music and entertainment, its programming is primarily informational. FM stereo produces a wide variety of music, drama, arts and literary programs. All four radio networks offer Canadians commercial free, intelligent, appealing, and unique Canadian programming for which they have achieved a devoted following.

About 99 per cent of English and French speaking Canadians have access to CBC television. Almost 94 per cent of English and French speaking Canadians have access to CBC AM mono radio in their respective languages and 70 per cent of anglo-

phones and 76 per cent of francophones have access to CBC FM stereo in their respective languages.

The ability to reach so much of our population comprised of two official language communities, scattered over a huge amount of rugged terrain and no less than six different time zones is a major technological challenge for the corporation.

Like the railroad, the CBC links Canadians every single day of the year in my riding with aboriginal peoples in the north, farmers on the prairies, fishermen on the east and west coasts, and everyone in between.

The CBC is also a proud ambassador abroad. In addition to the important role played by Radio Canada International, it maintains formal and informal contact with at least 10 international broadcasting unions and associations. It also encourages program exchanges and participates in more than 50 radio and television festivals around the world through which our artists and programming are promoted.

[*Translation*]

Of course, the CBC's mission is to carry out the official purposes set forth in the Broadcasting Act and it has the duty to conduct its activities in accordance with sound business practices. I fully agree with hon. opposition members in this House who think that we are going through a difficult economic period and that we should scrutinize every dollar of taxpayers' money that we spend. Nevertheless, advocating the total privatization of the CBC suggests that section 3 of the Broadcasting Act could be satisfied by the private sector or that we are prepared to forget about meeting the objectives stated there. Neither of these assertions is correct. Providing authentically Canadian broadcasting services of good quality to the whole country has never been and undoubtedly never will be something that the private sector could do profitably.

(1830)

The efforts made to build our country never met the criteria of strict profitability. Nevertheless, we have built a remarkable country of which my constituents and I are immensely proud and the CBC has helped to shape it.

My colleague has already told you about the significant support measures that the government has offered the CBC. Nevertheless, given the serious financial difficulties before the government in the coming days, the Canadian Broadcasting Corporation is fully aware that it might have to change some aspects of its activities. If the CBC, in assessing how to face future difficulties, concludes that it could better serve the Canadian public by privatizing some particular aspects of its activities, the Minister of Canadian Heritage will let the CBC make that decision, as he said.

Government Orders

[English]

In conclusion, the committee of which I have the pleasure to be the chairman, the Standing Committee on Canadian Heritage, will be developing in conjunction with the CBC some of these ideas and sharing them with Parliament at a later date.

[Translation]

The Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 96(1), the item is dropped from the Order Paper.

GOVERNMENT ORDERS

[English]

YUKON FIRST NATIONS SELF-GOVERNMENT ACT

BILL C-34—TIME ALLOCATION

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I wish to inform the House that an agreement has been reached, pursuant to Standing Order 78(2), with regard to an allocation of time to the report stage and the third reading stage of Bill C-34. Therefore, I move:

That, in relation to Bill C-34, an act respecting self-government for First Nations in the Yukon Territory, not more than one hour shall be allotted to the consideration of the report stage of the said bill, and not more than one hour shall be allotted to the consideration of the third reading stage of the said bill and, at the expiry of each of the said hours, any proceedings before the House shall be interrupted, if required for the purpose of this order, and, in turn, every question necessary for the disposal of the report stage or the third reading stage, as the case may be, of the bill shall be put forthwith and successively without further debate or amendment.

(1835)

Mr. Hermanson: Mr. Speaker, on a point of order. Is it appropriate or permissible for the government to bring in closure before the bill is even debated?

The Deputy Speaker: The hon. House leader for the Reform Party has asked a question to which the answer appears to be yes. Standing Order 78(2) which the member will have on his desk makes it very clear that in a situation such as outlined, the motion can be moved.

For example, it was a minister of the crown who moved it. More important, it is the majority of the representatives of several parties who have come to an agreement in respect of the proposed allotment of time and so on, it seems to me, down the line. I believe that this motion is a sharper one.

[Translation]

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Call in the members.

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

(Division No. 67)

YEAS

Members

Allcock	Allmand
Anawak	Anderson
Arseneault	Assad
Assadourian	Bachand
Baker	Bakopanos
Barnes	Berger
Bertrand	Bodnar
Bonin	Boudria
Brien	Brushett
Bryden	Bélair
Bélisle	Calder
Cannis	Caron
Catterall	Cauchon
Chamberlain	Chrétien (Frontenac)
Clancy	Cohen
Collins	Comuzzi
Copps	Cowling
Crawford	Crête
Culbert	Dalphond-Guiral
Daviault	Debien
de Savoye	DeVillers
Dhaliwal	Discepolo
Dromisky	Dubé
Duceppe	Duhamel
Dumas	Dupuy
Easter	Eggleton
English	Fewchuk
Fillion	Finlay
Flis	Fontana
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Galloway	Godfrey
Goodale	Gray (Windsor West)
Grose	Guarnieri
Guay	Guimond
Harvard	Hopkins
Hubbard	Ianno
Iftody	Irwin
Jackson	Jacob
Jordan	Keyes
Kirkby	Knutson
Kraft Sloan	Lalonde
Landry	Langlois
Laurin	Lavigne (Verdun—Saint-Paul)
Lebel	LeBlanc (Cape Breton Highlands—Canso)
Lee	Leroux (Shefford)
Loney	Loubier
MacAulay	MacLaren (Etobicoke North)
Maheu	Malhi
Maloney	McCormick
McKinnon	McLaughlin
McWhinney	Mercier
Mifflin	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Ménard
Nunez	O'Brien
O'Reilly	Paré

Government Orders

Patry	Peric
Peters	Peterson
Phinney	Picard (Drummond)
Pickard (Essex—Kent)	Plamondon
Pomerleau	Péloquin
Regan	Rideout
Robichaud	Rock
Sauvageau	Scott (Fredericton—York Sunbury)
Sheridan	Skoke
St. Denis	Szabo
Telegdi	Terrana
Thalheimer	Torsney
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Ur	Valeri
Vanclief	Volpe
Walker	Wappel
Wells	Whelan
Wood	Young —152

NAYS

Members

Abbott	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Brown (Calgary Southeast)
Chatters	Cummins
Duncan	Epp
Gouk	Grubel
Hanrahan	Harris
Hayes	Hermanson
Johnston	Mayfield
McClelland (Edmonton Southwest)	Penson
Ramsay	Scott (Skeena)
Silye	Strahl
Thompson—23	

PAIRED—MEMBERS

Members

Bouchard	Chrétien (Saint-Maurice)
Crête	Finestone
Gauthier (Roberval)	Lavigne (Beauharnois—Salaberry)
Lincoln	Zed

(1845)

[English]

The Deputy Speaker: I declare the motion agreed to.

* * *

YUKON FIRST NATIONS LAND CLAIMS SETTLEMENT ACT

BILL C-33—TIME ALLOCATION

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I wish to inform the House that an agreement has been reached pursuant to Standing Order 78(2) with regard to an allocation of time for the report stage and the third reading stage of Bill C-33.

Therefore I move:

That, in relation to Bill C-33, an act to approve, give effect to and declare valid land claims agreements entered into between Her Majesty the Queen in right of Canada, the government of the Yukon Territory and certain first nations in the Yukon Territory, to provide for approving, giving effect to and declaring valid other land claims agreements entered into after this act comes into force, and to make consequential amendments to other acts, not more than one hour shall be allotted to the consideration of the report stage of the said bill and not more than one hour shall be allotted to the consideration of the third reading stage of the said bill and, at the expiry of each of the said hours, any proceedings before the House shall be interrupted, if required for the purpose of this Order, and, in turn, every question necessary for the disposal of the

report stage or the third reading stage, as the case may be, of the bill shall be put forthwith and successively without further debate or amendment.

Mr. Hart: On a point of order, Mr. Speaker. This afternoon I was engaged in committee. The government has throughout this session of Parliament stressed the importance of committee work. I also find it very important to be here for a vote, although the loyal and Official Opposition and also the government have decided that they would take this away from me, my privilege to vote on this issue.

The Deputy Speaker: The point the member was making was a question for debate. On a point of order, the hon. member for Elk Island.

Mr. Ken Epp (Elk Island): Mr. Speaker, mine is truly a point of order.

Standing Order 78 says explicitly that there is agreement among the representatives of all parties.

(1850)

I submit that this action is not correct because we are still a party notwithstanding what is thought here and therefore this motion is not appropriate.

The Deputy Speaker: The hon. member is quite right in referring to Standing Order 78(1). That is where all the parties agree, as he has just indicated. What he will have to look at is Standing Order 78(2)(a) where it is a majority of the parties that have agreed.

I thank the member for raising the point because it gives me an opportunity to say that this motion has also been considered carefully. It is a valid motion under Standing Order 78(2). Accordingly the members will vote on that motion.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Call in the members.

And the bells having rung:

Mr. Silye: Mr. Speaker, I rise on a point of order. Does the government have to give a reason to limit debate for an hour or can it just do it?

The Deputy Speaker: That is not a point of order. That is a point of information.

(1855)

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

(Division No. 68)

YEAS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Arseneault
Assad	Assadourian
Bachand	Baker
Bakopanos	Barnes
Berger	Bernier (Mégantic—Compton—Stanstead)
Bertrand	Bodnar
Bonin	Boudria
Brien	Brown (Oakville—Milton)
Brushett	Bryden
Bélair	Bélisle
Caccia	Calder
Cannis	Caron
Catterall	Cauchon
Chamberlain	Chan
Chrétien (Frontenac)	Clancy
Cohen	Collins
Comuzzi	Copps
Cowling	Crawford
Crête	Culbert
Dalphonde—Gural	Daviault
Debien	de Savoye
DeVillers	Dhaliwal
Discepolo	Dromisky
Dubé	Duceppe
Duhamel	Dumas
Dupuy	Easter
Eggleton	English
Fewchuk	Fillion
Finlay	Flis
Fontana	Gaffney
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gagnon (Québec)	Galloway
Godfrey	Goodale
Graham	Gray (Windsor West)
Grose	Guarnieri
Guay	Guimond
Harvard	Hopkins
Hubbard	Ianno
Iftody	Irwin
Jackson	Jacob
Jordan	Keyes
Kirkby	Knutson
Kraft Sloan	Lalonde
Landry	Langlois
Laurin	Lavigne (Verdun—Saint-Paul)
Lebel	LeBlanc (Cape Breton Highlands—Canso)
Lee	Leroux (Shefford)
Loney	Loubier
MacAulay	MacLaren (Etobicoke North)
Maheu	Malhi
Maloney	McCormick
McGuire	McKinnon
McLaughlin	McWhinney
Mercier	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Mitchell
Murphy	Murray
Ménard	Nunez
O'Brien	O'Reilly
Parrish	Paré
Patry	Peric
Peters	Peterson
Phinney	Picard (Drummond)

Government Orders

Pickard (Essex—Kent)	Plamondon
Pomerleau	Proud
Péloquin	Reed
Regan	Rideout
Robichaud	Rock
Rompkey	Sauvageau
Scott (Fredericton—York Sunbury)	Shepherd
Sheridan	Skoke
St. Denis	Szabo
Telegdi	Terrana
Thalheimer	Torsney
Tremblay (Rimouski—Témiscouata)	Tremblay (Rosemont)
Ur	Valeri
Vanclief	Volpe
Walker	Wappel
Wells	Whelan
Wood	Young —164

NAYS

Members

Abbott	Benoit
Breitkreuz (Yellowhead)	Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)	Chatters
Cummins	Duncan
Epp	Frazer
Gilmour	Gouk
Grey (Beaver River)	Grubel
Hanrahan	Harris
Hart	Hayes
Hermanson	Hill (MacLeod)
Hoepfner	Johnston
Mayfield	McClelland (Edmonton Southwest)
Meredith	Mills (Red Deer)
Penson	Ramsay
Schmidt	Scott (Skeena)
Silye	Solberg
Strahl	Thompson
Williams—35	

PAIRED—MEMBERS

Members

Bouchard	Chrétien (Saint-Maurice)
Crête	Finestone
Gauthier (Roberval)	Lavigne (Beauharnois—Salaberry)
Lincoln	Zed

(1900)

The Deputy Speaker: I declare the motion carried.

Mr. Ringma: I rise on a point of order, Mr. Speaker. For the record, had I been here in time, I would very much have voted for the nay side.

* * *

EXCISE TAX ACT

BILL C-32—TIME ALLOCATION

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I wish to inform the House that an agreement has been reached pursuant to Standing Order 78(2) with regard to an allocation of time to the third reading stage of Bill C-32.

Therefore I move:

That in relation to Bill C-32, an act to amend the Excise Tax Act, the Excise Act and the Income Tax Act, not more than one further hour shall be allotted to the consideration of the third reading stage of the said bill and, at the expiry of that hour, any proceedings before the House shall be interrupted, if required for the purpose of this Order, and, in turn, every question necessary for the disposal of the third reading

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stage of the bill shall be put forthwith and successively without further debate or amendment.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Call in the members.

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

*(Division No. 69)***YEAS**

Members

Adams	Alcock
Allmand	Anawak
Anderson	Arseneault
Assad	Assadourian
Bachand	Baker
Bakopanos	Barnes
Berger	Bertrand
Bodnar	Bonin
Boudria	Brien
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Bélisle	Caccia
Calder	Cannis
Caron	Catterall
Cauchon	Chamberlain
Chan	Chrétien (Frontenac)
Clancy	Cohen
Collins	Comuzzi
Copps	Cowling
Crawford	Culbert
Dalphonde-Guiral	Daviault
de Savoye	DeVillers
Dhaliwal	Discepola
Dromisky	Dubé
Duceppe	Duhamel
Dupuy	Easter
Eggleton	English
Fewchuk	Finlay
Flis	Fontana
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Galloway	Godfrey
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Harvard
Hopkins	Hubbard
Ianno	Iftody
Irwin	Jackson
Jordan	Keyes
Kirkby	Knutson
Kraft Sloan	Landry
Langlois	Laurin
Lavigne (Verdun—Saint-Paul)	LeBlanc (Cape Breton Highlands—Canso)
Lee	Loney
MacAulay	MacLaren (Etobicoke North)
Maheu	Malhi
Maloney	McCormick
McGuire	McKinnon
McWhinney	Mifflin
Milliken	Mills (Broadview—Greenwood)
Minna	Mitchell
Murphy	Murray

Nunez	O'Brien
O'Reilly	Parrish
Patry	Peric
Peters	Peterson
Phinney	Pickard (Essex—Kent)
Proud	Péloquin
Reed	Regan
Rideout	Robichaud
Rock	Rompkey
Scott (Fredericton—York Sunbury)	Shepherd
Sheridan	Skoke
Speller	St. Denis
Steckle	Szabo
Telegdi	Terrana
Thalheimer	Torsney
Ur	Valeri
Vancief	Volpe
Walker	Wappel
Wells	Whelan
Wood	Young —144

NAYS

Members

Abbott	Ablonczy
Benoit	Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)	Chatters
Cummins	Duncan
Epp	Frazer
Gilmour	Gouk
Grey (Beaver River)	Grubel
Hanrahan	Harris
Hart	Hayes
Hermanson	Hill (MacLeod)
Hill (Prince George—Peace River)	Hoepfner
Johnston	Mayfield
McClelland (Edmonton Southwest)	Meredith
Mills (Red Deer)	Penson
Ramsay	Ringma
Schmidt	Scott (Skeena)
Silye	Solberg
Strahl	Thompson
Williams—37	

PAIRED—MEMBERS

Members

Bouchard	Chrétien (Saint-Maurice)
Crête	Finestone
Gauthier (Roberval)	Lavigne (Beauharnois—Salaberry)
Lincoln	Zed

(1910)

[*Translation*]

The Deputy Speaker: I declare the motion carried.

* * *

[*English*]

DEPARTMENT OF CITIZENSHIP AND IMMIGRATION ACT

BILL C-35—TIME ALLOCATION

Hon. Fernand Robichaud (Secretary of State (Parliamentary Affairs)): Mr. Speaker, I wish to inform the House that an agreement has been reached pursuant to Standing Order 78(2)

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with regard to the allocation of time to third reading stage of Bill C-35. Therefore I move:

That in relation to Bill C-35, an act to establish the Department of Citizenship and Immigration and to make consequential amendments to other acts, not more than one hour shall be allotted to the consideration of the third reading stage of the said bill, and at the expiry of that hour, any proceedings before the House shall be interrupted, if required for the purpose of this Order, and, in turn, every question necessary for the disposal of the third reading stage of the bill shall be put forthwith and successfully without further debate or amendment.

The Deputy Speaker: The question is on the motion.

(1915)

[*Translation*]

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Call in the members.

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

(Division No. 70)

YEAS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Arseneault
Assad	Assadourian
Bachand	Baker
Bakopanos	Barnes
Berger	Bertrand
Bodnar	Bonin
Boudria	Brien
Brown (Oakville—Milton)	Brushett
Bryden	Bélair
Bélisle	Caccia
Calder	Cannis
Caron	Catterall
Cauchon	Chamberlain
Chan	Chrétien (Frontenac)
Clancy	Cohen
Collins	Comuzzi
Copps	Cowling
Crawford	Culbert
Dalphond—Guiral	Daviault
de Savoye	DeVillers
Dhaliwal	Discepola
Dromisky	Dubé
Duceppe	Duhamel
Dupuy	Easter
Eggleton	English
Fewchuk	Finlay
Flis	Fontana
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Galloway	Godfrey
Goodale	Graham

Gray (Windsor West)	Grose
Guarnieri	Harvard
Hopkins	Hubbard
Ianno	Ifody
Irwin	Jackson
Jordan	Keyes
Kirkby	Knutson
Kraft Sloan	Landry
Langlois	Lavigne (Verdun—Saint-Paul)
LeBlanc (Cape Breton Highlands—Canso)	Lee
Loney	MacAulay
MacLaren (Etobicoke North)	Maheu
Malhi	Maloney
Marchand	McCormick
McGuire	McKinnon
McTeague	McWhinney
Mifflin	Milliken
Mills (Broadview—Greenwood)	Minna
Mitchell	Murphy
Murray	Nunez
O'Brien	O'Reilly
Parrish	Patry
Peric	Peters
Peterson	Phinney
Pickard (Essex—Kent)	Proud
Reed	Regan
Richardson	Rideout
Robichaud	Rock
Rompkey	Scott (Fredericton—York Sunbury)
Shepherd	Sheridan
Skoke	Speller
St. Denis	Steckle
Szabo	Telegdi
Terrana	Thalheimer
Torsney	Tremblay (Rimouski—Témiscouata)
Ur	Valeri
Vancielief	Volpe
Walker	Wappel
Wells	Whelan
Wood	Young —146

NAYS

Members

Abbott	Ablonczy
Benoit	Breitkreuz (Yorkton—Melville)
Brown (Calgary Southeast)	Chatters
Cummins	Duncan
Epp	Frazer
Gilmour	Gouk
Grey (Beaver River)	Grubel
Hanrahan	Harris
Hart	Hayes
Hermanson	Hill (Macleod)
Hill (Prince George—Peace River)	Hoepfner
Johnston	Mayfield
McClelland (Edmonton Southwest)	Meredith
Mills (Red Deer)	Penson
Ramsay	Ringma
Schmidt	Scott (Skeena)
Silye	Solberg
Strahl	Thompson—36

PAIRED—MEMBERS

Members

Bouchard	Chrétien (Saint-Maurice)
Crête	Finestone
Gauthier (Roberval)	Lavigne (Beauharnois—Salaberry)
Lincoln	Zed

Government Orders

(1920)

The Deputy Speaker: I declare the motion carried.

* * *

(1925)

[*English*]**YUKON FIRST NATIONS SELF-GOVERNMENT ACT**

The House proceeded to the consideration of Bill C-34, an act respecting self-government for First Nations in the Yukon Territory, as reported (without amendment) from the committee.

Mr. Hermanson: I rise on a point of order, Mr. Speaker. There has been quite a change in the scenery over the last hour with four closure motions being passed. It lends some doubt as to what the intention of the government is in the order of bills we have brought forward. I wonder if the government would bring forward some type of statement as to the bills it plans to bring forward and the order in which it intends to consider them.

The Acting Speaker (Mr. Kilger): I wonder if I might ask the assistance of the hon. parliamentary secretary to the government House leader.

Mr. Milliken: Mr. Speaker, as I indicated to the hon. member we will be calling this evening Bill C-34 for report stage, then Bill C-33 for report stage, one hour on each. Then we will proceed I believe with Bill C-32 unless discussions between the parties result in some other arrangement. I believe that will be the order for this evening which should take us to ten o'clock.

Mr. Hermanson: Mr. Speaker, in light of the events and an hon. member calls it a disaster, I would move that this House do now adjourn.

The Acting Speaker (Mr. Kilger): Members cannot move adjournment on a point of order, but only in fact when they rightfully have the floor on debate.

[*Translation*]

SPEAKER'S RULING

The Acting Speaker (Mr. Kilger): There are three amendment motions listed in the *Notice Paper* regarding the report stage of Bill C-34, an Act respecting self-government for first nations in the Yukon Territory.

[*English*]

Motion No. 1 will be debated and voted upon separately.

[*Translation*]

Motion No. 2 will be debated and voted upon separately.

[*English*]

Motion No. 3 will be debated and voted upon separately.

MOTIONS IN AMENDMENT

Mr. David Chatters (Athabasca) moved:

Motion No. 1

That Bill C-34, in Clause 5, be amended, by striking out lines 40 to 45 on page 3 and lines 1 to 4, on page 4.

He said: Mr. Speaker, I move:

That this House do now adjourn.

The Acting Speaker (Mr. Kilger): Before I can propose the motion for adjournment, the hon. member will have to submit the motion in writing to the chair and include a seconder of the motion.

(1930)

The motion for adjournment is ruled out of order. The hon. member for Athabasca, in moving the motion for adjournment, cannot move an amendment to his own motion which would have the effect of superseding his motion if passed.

Mr. Chatters: Mr. Speaker, I would like to voice my disappointment and concern over the process that just took place. How can we expect to believe the provisions of the bill if the drafter of the bill and the supporters of the bill would put us through a process of not allowing us to debate the amendments and bills fully and properly?

(1935)

The amendments we are putting forth would have had some impact on our decision whether or not to support the bill at third reading. Having been through a process which I believe is a real abuse of the parliamentary process, I do not hold out real hope for the success of the agreements these bills bring into effect.

Even more so, it goes to emphasize the serious concerns we are raising in the amendments we are bringing forward. The first amendment to clause 5(2) has the effect of removing from the agreement those 10 First Nations that have not yet signed final agreements.

Those 10 First Nations would be the Carcross-Tagish First Nation, the Dawson First Nation, the Kluane First Nation, the Kwanlin Dun First Nation, the Liard First Nation, the Little Salmon-Carmacks First Nation, the Ross River Dena Council, the Selkirk First Nation, the Ta'an Kwach'an Council, and the White River First Nation.

Those First Nations, as well as the four First Nations covered by this agreement, should have genuine concern with the process. We are abolishing the designation of an aboriginal band in this piece of legislation and replacing it with an organization called a first nation.

Under the Indian Act and under present legislation the rights of aboriginal peoples are protected as Indian bands. Until the

Government Orders

bill becomes legislation and has royal assent the 10 First Nations are in limbo. They have lost their rights as aboriginal bands and have not yet attained rights as First Nations. If I were a member of one of these bands I would be certainly concerned with situation. The whole process calls into question what we are trying to achieve.

If I were a member of one of those First Nations I would have seriously considered the situation before being willing to sell my rights as an aboriginal person for the few dollars being provided here. Certainly there are legal questions and legal concerns about where this process leaves the aboriginal rights afforded to aboriginals through the treaty process, through the Indian Act and legislation that has gone before.

Through a simple amendment to the legislation before us in the bill those First Nations could lose their aboriginal rights and they could be extinguished in that process. Not only do I believe these things, but I have been contacted by a number of First Nations groups that also have the problem. Even a number of the groups that have yet to sign on with final agreements covered under the umbrella agreement have those concerns, particularly the extinguishment of the right of the tax exempt status. That should be of great concern.

Further to that the 10 nations that have not signed on will not come before Parliament to be examined, to be evaluated and to be discussed. Where does it leave us as members of Parliament when we abdicate our responsibility as a Parliament to examine legislation before it and delegate that authority to the governor in council?

(1940)

If there is nothing different in the next 10 agreements why are they not signed on as final agreements at this point? If there are different provisions in the 10 agreements why should not Parliament have a chance to examine these differences, to debate them and to discuss them? If we as parliamentarians do not need to examine the 10 future agreements why are we going through the somewhat convoluted process of examining the four that are there?

There are some very serious questions to be answered. I hoped we could have had support for this amendment as well as the other two amendments that we proposed. Clearly that is not to be. We are not to have serious discussion and serious debate on the issues. That saddens me truly for Canada's parliamentary process, for Canada's people, and for Canada's aboriginal people. It is a sad day for the process.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

[Editor's Note: Member spoke in Inuktitut.]

[English]

It is a pleasure to be able to finally speak to the issue. There is such concern from the party for aboriginal people what can I say? It is from the same party that thinks we are giving away large tracts of land to the aboriginal people and that we are giving away large amounts of money to the aboriginal people. All of a sudden there is all this concern for the poor aboriginal people. We have to be consistent when we are talking about whether we are supporting aboriginal people or whether we are against the process they are trying to go through.

Before I comment on the amendment I received a letter attached to the *Toronto Sun* about the member from the Reform Party apologizing for depicting us as spoiled or denying depicting us as spoiled. The letter quite clearly follows the lines of the attitude of the Reform Party. It says: "Hey, Jack, if it is any consolation we also think our natives are a bunch of lazy, drunken layabouts who have been fleecing we hardworking fed up taxpayers for too long. Cut all the federal money they get and make them, the whole lot of them, work for their keep. Let's see if they can make it on their own, but I doubt it".

This letter shows the ignorance of some Canadian people. Who do they think the land came from? Whose land does this person think it is? That letter is ridiculous. It basically follows the lines of the remarks made in the House by a member of the Reform Party.

The Reform's amendment would delete subclauses 5(2) and (3). Subclause 5(1) brings into effect the self-government agreements of the Champagne and Aishihik First Nations, the First Nation of Nacho Hyak Dun, the Teslin Tlingit Council, and the Vuntut Gwitchin First Nation on the day this act comes into force. That is subclause (1).

Subclause (2), which they would delete, provides that the remaining 10 First Nations self-government agreements may be brought into effect by order in council.

Subclause (3), another one they would delete, ensures that the effective date of a self-government agreement will be published in the *Canada Gazette*.

(1945)

The Reform's amendment would delete subclauses (2) and (3) of clause 5 so that each of the remaining 10 First Nations self-government agreements would have to be brought into effect by other acts of Parliament. The proposed amendment would also move the requirement by the minister to publish the effective date of these self-government agreements.

Motion No. 1 is unacceptable because, one, the process of bringing the subsequent 10 self government agreements into effect should be the same as the process used to bring the land claims agreement into effect. This clause mirrors a clause in Bill C-33. The amendment would create inconsistent processes and

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would defeat the intention in the land claims agreement to allow for orders in council to bring future agreements into effect.

Two, clause 5 does not prevent Parliament from reviewing any future agreements.

Three, this bill establishes the parameters of the subsequent 10 self-government agreements. These parameters cannot be exceeded in the negotiation of the subsequent 10 self-government agreements.

For all the reasons I just cited, the government finds Motion no. 1 unacceptable.

Mr. John Duncan (North Island—Powell River): Mr. Speaker, Motion No. 1 talks about deleting clause 5 of Bill C-34. This provision in the bill speaks volumes about the Liberal government commitment to governing with integrity. We have seen that again in spades tonight.

I quote from its famous red ink book: "People are irritated with governments that do not consult them or disregard their views or that try to conduct key parts of the public business behind closed doors. Open government will be the watchword of the Liberal program".

This is not my main beef. My main beef is that this bill displays a serious lack of parliamentary accountability and scrutiny. It is a blank cheque for the government through order in council to make or ratify all future agreements in Yukon.

In our view, Parliament has a responsibility to the people of Canada to carefully consider and pass judgment on any initiative within its legislative agenda, but particularly in matters as important as aboriginal self-government. Self-government is a critical policy initiative which deserves the highest level of care that Parliament can muster. As I noted earlier, this would be evident to any impartial observer.

The legislative journey of Bill C-34 appears to involve undue haste for even a conventional piece of legislation. However, this bill is anything but conventional. It is extraordinary because in it Parliament delegates its fundamental responsibilities to the executive and bureaucratic branches of government. This delegation takes place in the context of critically important questions of what place will our aboriginal nations take within our federal state.

Parliament is being asked to breach its constitutional role in and responsibility to enact legislation in the public forum of Parliament. What is being sought is approval for a process legislatively to which the Government of Canada and its bureaucrats in negotiation with First Nations developed fundamental legislation in private. Thus, what Parliament is being asked to do and do extraordinarily quickly is engage in radical constitutional irresponsibility.

With respect to the 10 bands which have not yet entered into self-government and have not negotiated final agreements and transboundary agreements, let us remember that these agreements are integral parts of this legislative package. Parliament is being asked to approve legislation it has not seen and will never see. Not only do these agreements I just mentioned have the status of legislation, but according to the act they enjoy paramountcy over the self-government act. Even the existing agreements which are part of this package can in the future be amended in very fundamental ways.

(1950)

Truly astonishing, anti-democratic and totally unconventional, the legislation provides that the self-government agreement and amendments thereto may go beyond the subject areas dealt with by the act. These agreements can be brought into effect upon the coming into force of the act. This gives the self-government agreement some legislative status. As long as there is no conflict between Bill C-34 and the provisions in the self-government agreement, these provisions are valid.

Moreover, they can be brought into force without the scrutiny and indeed even the knowledge of Parliament as law by the governor in council making orders and regulations to implement self-government.

This time allocation has placed me in a situation where I have a lot of information I cannot get.

I want to speak to Motion No. 2.

Existing clause 9, the delegation provision is such that a First Nation can delegate its law-making power—

The Acting Speaker (Mr. Kilger): Order. I do not want to add to the confusion. Quite to the contrary. While members still want to speak to Motion No. 1, we must continue that debate as I understand it. Unless the member has other remarks he wants to make to Motion No. 1, I will seek if other members in fact want to speak to this motion.

Mr. Duncan: Mr. Speaker, assuming I have more time on Motion No. 1, I will carry on.

The Acting Speaker (Mr. Kilger): If the member is going to continue to speak to Motion No. 1 certainly he has the floor, but if he is going to go to any other motion I would have to ask him to give the floor to some other member who might want to speak to Motion No. 1.

Mr. Duncan: Just for clarification, am I not restricted to 10 minutes on Motion No. 1?

The Acting Speaker (Mr. Kilger): Correct.

Mr. Duncan: These agreements, most of which have not been negotiated and therefore are unavailable for Parliament's scrutiny and which may be amended in any event even if existing prevail over the provisions of Bill C-34, have not been negotiated, go beyond the act and its provisions may be enacted by

Government Orders

law by the governor in council. There is nothing in Bill C-34 which precludes this sort of amendment.

In our view the combined effects of all this is that the legislation has invested parliamentary powers in the First Nations, bureaucrats and the executive branch of government. Surely this is an improper delegation of legislative powers, what the Supreme Court in *re Grey*, 1918, 57SCR. 157, 165, 171 and 176 referred to as an unlawful and therefore invalid abdication, abandonment or surrender of Parliament's power.

The Constitution of Canada contemplates that legislation be enacted by representative houses of assembly, not by bureaucrats negotiating with First Nations and not even elected members of government executing their executive and administrative functions.

Accordingly, I am concerned that what Parliament is engaged in here is an abuse of power which undermines the integrity of the parliamentary process. Minimally we collectively need more time to think through the consequences of what we are doing. After all we are not faced with a national emergency that requires the best possible but nevertheless instant response of Parliament.

Mr. Speaker, I move:

That the debate be now adjourned.

(1955)

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

(2025)

The Acting Speaker (Mr. Kilger): Pursuant to order made earlier this day in accordance with Standing Order 78(2), it is my duty to interrupt the proceedings and put all questions necessary to dispose of the report stage of the bill now before the House. Accordingly the motion to adjourn the debate has lapsed.

The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 76(1)(8) a recorded division on the motions stands deferred.

Mr. David Chatters (Athabasca) moved:

Motion No. 2

That Bill C-34, in Clause 9, be amended, by striking out lines 23 and 24, on page 5, and substituting the following:

"to any other first nation to the extent that the delegation is".

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 76(1)(8) a recorded division on the motions stands deferred.

Mr. David Chatters (Athabasca) moved:

Motion No. 3

That Bill C-34 be amended by adding after line 8, on page 7, the following new Clause:

"11.1 The *Canadian Charter of Rights and Freedoms* shall apply to the governing bodies of first nations named in Schedule II in respect of matters within the authority of those governing bodies".

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Government Orders

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 76(1)(8) a recorded division on the motions stands deferred.

The House will now proceed to the taking of the deferred divisions at the report stage of the bill now before the House.

Call in the members.

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

*(Division No. 71)***YEAS**

Members

Abbott
Benoit
Breitkreuz (Yorkton—Melville)
Cummins
Epp
Frazier
Gouk
Grubel
Harper (Calgary West)
Hart
Hermanson
Hill (Prince George—Peace River)
Johnston
McClelland (Edmonton Southwest)
Mills (Red Deer)
Penson
Ringma
Scott (Skeena)
Solberg
Strahl
Williams—41

Ablonczy
Breitkreuz (Yellowhead)
Chatters
Duncan
Forseth
Gilmour
Grey (Beaver River)
Hanrahan
Harris
Hayes
Hill (Macleod)
Hoepfner
Mayfield
Meredith
Morrison
Ramsay
Schmidt
Silye
Speaker
Thompson

NAYS

Members

Adams
Anawak
Arseneault
Bachand
Bakopanos
Berge
Bodnar
Boudria
Bryden
Caccia
Cauchon
Chrétien (Frontenac)
Cohen
Cowling
Culbert
de Savoye
Discepola
Dubé
Duhamel
Easter

Alcock
Anderson
Assadourian
Baker
Barnes
Bertrand
Bonin
Brien
Bélair
Caron
Chamberlain
Clancy
Collins
Crawford
Davialt
DeVillers
Dromisky
Duceppe
Dupuy
Eggleton

English
Flis
Gagliano
Gagnon (Québec)
Goodale
Hopkins
Ianno
Jackson
Knutson
Landry
Lavigne (Verdun—Saint-Paul)
Loney
Maheu
Maloney
McGuire
McLaughlin
McWhinney
Milliken
Minna
Murphy
Nunez
O'Reilly
Patry
Peters
Phinney
Pillitteri
Reed
Richardson
Riis
Rock
Scott (Fredericton—York Sunbury)
Skoke
St. Denis
Szabo
Terrana
Torsney
Valeri
Volpe
Wells
Young —119

Finlay
Fontana
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Godin
Grose
Hubbard
Irwin
Kirkby
Kraft Sloan
Langlois
Lee
MacAulay
Malhi
McCormick
McKinnon
McTeague
Miffin
Mills (Broadview—Greenwood)
Mitchell
Murray
O'Brien
Pagtakhan
Peric
Peterson
Pickard (Essex—Kent)
Proud
Regan
Rideout
Robichaud
Rompkey
Sheridan
Speller
Steckle
Telegdi
Thalheimer
Ur
Vanclief
Wappel
Whelan

PAIRED—MEMBERS

Members

Bouchard
Crête
Gauthier (Roberval)
Lincoln

Chrétien (Saint-Maurice)
Finestone
Lavigne (Beauharnois—Salaberry)
Zed

(2035)

The Acting Speaker (Mr. Kilger): I declare Motion No. 1 negated.

Ms. Guarnieri: Mr. Speaker, I rise on a point of order. I would like the record to show that I was unavoidably detained. Had I been here on time, I would have voted with my party.

[*Translation*]

The Acting Speaker (Mr. Kilger): The next question is on Motion No. 2.

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

*(Division No. 72)***YEAS**

Members

Abbott
Benoit
Breitkreuz (Yorkton—Melville)
Cummins

Ablonczy
Breitkreuz (Yellowhead)
Chatters
Duncan

Government Orders

Epp
 Frazer
 Gouk
 Grubel
 Harper (Calgary West)
 Hart
 Hermanson
 Hill (Prince George—Peace River)
 Johnston
 McClelland (Edmonton Southwest)
 Mills (Red Deer)
 Penson
 Ringma
 Scott (Skeena)
 Solberg
 Strahl
 Williams—41

Forseth
 Gilmour
 Grey (Beaver River)
 Hanrahan
 Harris
 Hayes
 Hill (Macleod)
 Hoepfner
 Mayfield
 Meredith
 Morrison
 Ramsay
 Schmidt
 Silye
 Speaker
 Thompson

(2040)

The Acting Speaker (Mr. Kilger): I declare Motion No. 2 lost.

[*English*]

The next question is on Motion No. 3.

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

NAYS

Members

Adams
 Anawak
 Arseneault
 Bachand
 Bakopanos
 Bertrand
 Bonin
 Brien
 Bélair
 Calder
 Cauchon
 Chrétien (Frontenac)
 Cohen
 Cowling
 Daviault
 De Villers
 Dromisky
 Duceppe
 Dupuy
 Eggleton
 Finlay
 Fontana
 Gagnon (Québec)
 Goodale
 Hopkins
 Irwin
 Langlois
 Loney
 McGuire
 Mills (Broadview—Greenwood)
 Pagtakhan
 Peric
 Peterson
 Pickard (Essex—Kent)
 Proud
 Regan
 Riis
 Rock
 Scott (Fredericton—York Sunbury)
 Skoke
 St. Denis
 Szabo
 Terrana
 Torsney
 Valeri
 Volpe
 Wells
 Young —95

Alcock
 Anderson
 Assadourian
 Baker
 Barnes
 Bodnar
 Boudria
 Bryden
 Caccia
 Caron
 Chamberlain
 Clancy
 Collins
 Culbert
 de Savoye
 Discepola
 Dubé
 Duhamel
 Easter
 English
 Flis
 Gagliano
 Godin
 Guarnieri
 Ianno
 Landry
 Lee
 MacAulay
 McLaughlin
 Nunez
 Patry
 Peters
 Phinney
 Pillitteri
 Reed
 Richardson
 Robichaud
 Rompkey
 Sheridan
 Speller
 Steckle
 Telegdi
 Thalheimer
 Ur
 Vanclief
 Wappel
 Whelan

PAIRED—MEMBERS

Members

Bouchard
 Crête
 Gauthier (Roberval)
 Lincoln

Chrétien (Saint-Maurice)
 Finestone
 Lavigne (Beauharnois—Salaberry)
 Zed

(Division No. 73)

YEAS

Members

Abbott
 Benoit
 Breittkreuz (Yorkton—Melville)
 Cummins
 Epp
 Frazer
 Gouk
 Grubel
 Harper (Calgary West)
 Hart
 Hermanson
 Hill (Prince George—Peace River)
 Johnston
 McClelland (Edmonton Southwest)
 Mills (Red Deer)
 Penson
 Ringma
 Scott (Skeena)
 Solberg
 Strahl
 Williams—41

Ablonczy
 Breittkreuz (Yellowhead)
 Chatters
 Duncan
 Forseth
 Gilmour
 Grey (Beaver River)
 Hanrahan
 Harris
 Hayes
 Hill (Macleod)
 Hoepfner
 Mayfield
 Meredith
 Morrison
 Ramsay
 Schmidt
 Silye
 Speaker
 Thompson

NAYS

Members

Anawak
 Arseneault
 Baker
 Boudria
 Bélair
 Caron
 Clancy
 de Savoye
 Duceppe
 Dupuy
 English
 Flis
 Gagliano
 Godin
 Guarnieri
 Ianno
 Landry
 Lee
 MacAulay
 McLaughlin
 Nunez
 O'Reilly
 Patry
 Peterson
 Pillitteri
 Reed

Anderson
 Bachand
 Berger
 Brien
 Caccia
 Chrétien (Frontenac)
 Daviault
 Dubé
 Duhamel
 Eggleton
 Finlay
 Fontana
 Gagnon (Québec)
 Goodale
 Hopkins
 Irwin
 Langlois
 Loney
 McGuire
 Mills (Broadview—Greenwood)
 O'Brien
 Pagtakhan
 Peters
 Pickard (Essex—Kent)
 Proud
 Regan

Government Orders

Richardson	Riis
Robichaud	Rock
Rompkey	Scott (Fredericton—York Sunbury)
Sheridan	Skoke
Speller	St. Denis
Steckle	Szabo
Taylor	Telegdi
Terrana	Thalheimer
Torsney	Ur
Valeri	Vanclief
Volpe	Wells
Whelan	Young —76

PAIRED—MEMBERS

Bouchard	Members
Crête	Chrétien (Saint-Maurice)
Gauthier (Roberval)	Finestone
Lincoln	Lavigne (Beauharnois—Salaberry)
	Zed

(2045)

The Acting Speaker (Mr. Kilger): I declare Motion No. 3 negatived.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development) moved that the bill be concurred in.

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

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

(Division No. 74)

YEAS

Adams	Anawak
Anderson	Arseneault
Bachand	Baker
Berger	Boudria
Brien	Béclair
Caccia	Caron
Chrétien (Frontenac)	Clancy
Collins	Davialt
de Savoye	Dubé
Duceppe	Duhamel
Dupuy	Eggleton
English	Finlay
Flis	Fontana
Gagliano	Gagnon (Québec)
Godin	Goodale
Guarnieri	Hopkins
Ianno	Irwin
Landry	Langlois
Lee	Loney
MacAulay	McGuire
McLaughlin	McTeague
Mills (Broadview—Greenwood)	Nunez

O'Brien	O'Reilly
Pagtakhan	Patry
Peric	Peters
Peterson	Pickard (Essex—Kent)
Pillitteri	Proud
Reed	Regan
Richardson	Riis
Robichaud	Rock
Rompkey	Scott (Fredericton—York Sunbury)
Sheridan	Skoke
Speller	St. Denis
Steckle	Szabo
Taylor	Telegdi
Terrana	Thalheimer
Torsney	Ur
Valeri	Vanclief
Wappel	Wells
Whelan	Young —80

NAYS

Members

Abbott	Ablonczy
Benoit	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Chatters
Cummins	Duncan
Epp	Forseth
Frazer	Gilmour
Gouk	Grey (Beaver River)
Grubel	Hanrahan
Harper (Calgary West)	Harris
Hart	Hayes
Hermanson	Hill (Macleod)
Hill (Prince George—Peace River)	Hoepfner
Johnston	Mayfield
McClelland (Edmonton Southwest)	Meredith
Mills (Red Deer)	Morrison
Ramsay	Ringma
Schmidt	Scott (Skeena)
Silye	Solberg
Speaker	Strahl
Thompson—39	

PAIRED—MEMBERS

Members

Bouchard	Chrétien (Saint-Maurice)
Crête	Finestone
Gauthier (Roberval)	Lavigne (Beauharnois—Salaberry)
Lincoln	Zed

(2050)

The Acting Speaker (Mr. Kilger): I declare the motion carried.

* * *

YUKON FIRST NATIONS LAND CLAIMS SETTLEMENT ACT

The House proceeded to the consideration of Bill C-33, an act to approve, give effect to and declare valid land claims agreements entered into between Her Majesty the Queen in right of Canada, the Government of the Yukon Territory and certain first nations in the Yukon Territory, to provide for approving, giving effect to and declaring valid other land claims agreements entered into after this act comes into force, and to make consequential amendments to other acts, as reported (without amendment) from the committee.

SPEAKER'S RULING

The Acting Speaker (Mr. Kilger): I would like to share with the House a ruling by the Speaker on Bill C-33.

There are three motions in amendment on the *Notice Paper* for the report stage of Bill C-33, an act to approve, give effect to and declare valid land claims agreements entered into between Her Majesty the Queen in right of Canada, the Government of the Yukon Territory and certain first nations in the Yukon Territory, to provide for approving, giving effect to and declaring valid other land claims agreements entered into after this act comes into force, and to make consequential amendments to other acts.

Motion No. 1 will be debated and voted upon separately. Motion No. 2 will be debated and voted upon separately. Motion No. 3 will be debated and voted upon separately.

I shall now propose Motion No. 1 to the House.

MOTIONS IN AMENDMENT

Mr. John Duncan (North Island—Powell River) moved:

Motion No. 1

That Bill C-33 be amended by deleting Clause 5.

He said: Mr. Speaker, as mentioned, Motion No. 1 deals with the provision for future Yukon land claim agreements to be ratified by order in council and not by Parliament.

Of course it is common for legislation to delegate to the governor in council the responsibility to implement broad legislative principles to provide the details so to speak. We have no problem with that.

Parliament should be concerned with broad matters of social policy and not the minutiae of implementation. The normal rule relating to the promulgation of regulations and other forms of subordinate legislation are very telling. Subordinate legislation is invalid unless it is specifically authorized by the act. Regulations which go beyond the scope of a provision are invalid, what the legal system calls *ultra vires*.

The basic idea is that Parliament, not government, makes law and policy. Subordinate bodies may be delegated the task of implementing this law and with it the underlying social policy objectives sought to be accomplished by Parliament.

Bills C-33 and C-34 through the clever expediency of providing for final and transboundary agreements skirt around the convention and good sense of the ordinary rules of delegation to subordinate bodies. These agreements, most of which have not been negotiated and therefore are unavailable for parliamentary scrutiny and which may be amended in any event, even if existing, prevail over the provisions of Bills C-33 and C-34.

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Moreover, land claim agreements and most of these have not been negotiated, can go beyond the act and its provisions may be enacted as law by the governor in council.

(2055)

The result is that without Parliament's involvement, laws of great import may be formulated. For example, an agreement could provide or be amended to provide a limitation of liability for a First Nation or one of its citizens for any misconduct, default of debt, even breach of fiduciary obligation or fraud.

If this type of provision is not presently permitted, this can be altered through the amendment of the relevant agreement. There is nothing in these bills that precludes this sort of amendment.

Mr. Jack Iyerak Anawak (Parliamentary Secretary to Minister of Indian Affairs and Northern Development):

[*Editor's Note: Member spoke in Inuktitut.*]

[*English*]

Mr. Speaker, I am honoured to have a chance to speak to this bill as well as the motion. I would like to start off by acknowledging the presence in the gallery of people from the Council for Yukon Indians who are eagerly awaiting the passage of these bills.

Some hon. members: Hear, hear.

Mr. Anawak: Mr. Speaker, I would like to quote from the presentation to the aboriginal affairs standing committee from Miss Judy Gingell, the chair of the Council for Yukon Indians, with regard to the agreements that we are debating here today: "These agreements manifest a vision of our elders. Our elders maintained that our homelands must be protected in a manner that allows the sharing and natural resources with other Canadians. Our elders have instilled in us a great respect for other cultures and other people. Their visions of justice and fairness form the basis of our agreements".

We are debating these couple of motions with regard to amendments to Bill C-33. This has to do with the land claims. When we were trying to deal with the issue of land claims, this has taken some 21 years to date to come to this state.

It started by being a vision, a dream. It started by being something that people wanted to talk about but did not really have any understanding of what it would all lead to. Twenty-one years later this is what it is coming to.

I am very honoured to have taken a part in helping that dream come true. As well, I am sure that thanks and appreciation go to all the negotiators over the years on the government side and on the CYI side, and of course all the Yukon Indian people as well as the non-Indians whose hopes and trust are placed in the success of these agreements.

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As we have found out in the last few days, these two bills have the support of all the Yukoners. We had the Yukon territorial government, the Council for Yukon Indians, the member of Parliament for Yukon and others all supporting these two bills.

In supporting this bill, we are making the dreams of Yukoners come true. In light of the local support, the position of the Reform Party which has opposed these bills from the outset can only be characterized as decidedly undemocratic.

The Reform Party which professes to uphold and respect the wishes and the will of the people has shown profound disrespect and contempt for the people of Yukon. The Reform's effort to thwart this bill and the will of the people from the Yukon through this process has been appalling.

What is most disturbing about the position of the Reform Party in all this in my view is it does not really even care what happens in the Yukon. It is more concerned about the potential land claims agreements in British Columbia.

By imposing its fears and concerns about land claims in B.C. and Yukon, it forced Yukoners and especially Yukon Indian people to unnecessary stress and indignities.

(2100)

Miss Grey: Mr. Speaker, on a point of order. It seemed to me that this was a treatise about the Yukon self-government bill not about how dreadful the Reform Party is. We were asked to keep these discussions specifically to the amendment. I would ask the hon. member to withdraw that and address—

The Acting Speaker (Mr. Kilger): I believe that is not a point of order but a matter of debate. The hon. parliamentary secretary.

Mr. Anawak: Mr. Speaker, rather than lecturing Yukoners, members of the Reform Party should be humbly taking lessons from them. Through compromise and consensus Yukoners of all origins have built a foundation for their future together. This is not social and government engineering, as the member of the Reform Party has called it, it is nation building.

On February 14, 1973, Chief Elijah Smith and all Yukon First Nations chiefs presented a petition to Canada to negotiate a comprehensive claim settlement agreement. The petition was entitled: "Together Today For Our Children Tomorrow". On that same day Prime Minister Pierre Elliott Trudeau accepted the Yukon Indian request to commence negotiations.

Our present Prime Minister was the Minister of Indian Affairs and Northern Development at that time. As the chair of the Council for Yukon Indians pointed out last week in a presentation to the Standing Committee on Aboriginal Affairs and Northern Development, it is entirely appropriate that the Prime

Minister conclude the circle of negotiations of our final self-government agreements. Tomorrow is here.

The Reform's amendment would delete clause 5 from Bill C-33. Subclause (1) of clause 5 allows final land claim agreements and transboundary agreements concluded in the future to be given effect by order in council. Subclause (2) of clause 5 requires that such an order in council be tabled in the House of Commons within 30 sitting days after the order is made. The Reform's amendment to delete clause 5 would mean that 10 remaining First Nations final agreements and future transboundary agreements would have to be brought into effect by other acts of Parliament.

Motion No. 1 is unacceptable because first, the four final agreements being given effect by this bill require this bill to provide that future agreements may be given effect by order in council. Deleting clause 5 would make the legislation inconsistent with the four agreements the bill is bringing into effect. Second, clause 5 does not prevent Parliament from reviewing any further agreements. Third, deleting clause 5 would require consequential amendments to other clauses of this bill, for example clauses 14 and 15.

For all of the above reasons, the government finds Motion No. 1 unacceptable.

[*Translation*]

Mr. Claude Bachand (Saint-Jean): Mr. Speaker, before I focus on the mechanics of the motion as such, I too would like to extend greetings, both personally and on behalf of the Bloc Québécois to the people in the gallery from the Yukon who, as we know, have waited 21 years to see their dream finally become a reality. Let me also say that they have persevered peacefully for 21 years. Even though the negotiation process can at times be rough, they never took up arms but focused on the task at hand. As a result, as I mentioned, their dream is about to become a reality in a few hours' time.

The 21-year-period is worthy of mention, as I pointed out in my speech on second reading. For Yukon natives, it is extremely important to consider the views of their elders.

(2105)

During the course of the testimony by Yukon natives, we were told that previous generations of elders had expressed concern about whether these negotiations would ever come to fruition. I think that these elders would be very satisfied today, as will the children of those seated in the gallery who will finally be able to claim ownership once and for all to land that has been theirs forever.

As for the crux of the motion before us, obviously if we were to delete clause 5 of the bill, we would automatically be calling into question clause 4 which basically describes the four nations with whom land claim agreements have already been reached. Therefore, if we delete clause 5 and prohibit the Governor in Council from concluding a similar agreement with the ten other first nations, we would be left with a kind of parliamentary vacuum and there would be no known way of resolving the

claims pending with other first nations. On that subject, negotiations are progressing well. The feeling is that an agreement will be reached within a year or two with five nations. It would be encouraging for them to know that, as soon as their final agreement is reached, they come under the act that is before us and the Governor in Council simply brings them under the provisions of this act.

As for dispelling fears, I think it is something that must be demystified. The four land claim agreements before us which the act will give effect to today for the most part contain the same provisions. This was also the case with Bill C-34: you could open agreements with different nations to any particular page and find just about the same text. I asked the Indian affairs department officials who came to reassure us about the various clauses: can a first nation avoid the final umbrella agreement? And they said no. In other words, the ten nations still in the negotiating process will have to follow the exact same line already agreed to by the other four.

Naturally, the Bloc Quebecois will vote against Motion No. 1. I am also concerned about the manner in which this entire debate has progressed. We have two bills before the House and we have been debating now for almost a week. A refusal to allow the Governor in Council the power to implement these agreements would implicitly mean that any such agreement would have to be brought before the House in the form of a bill, and at the speed we are going in passing these two bills, you can imagine what it would be like to have ten more before us over the next several years. I think it would take months to get these bills through the House, given the amount of time which the Reform Party has taken blocking the two bills now before us.

For these reasons, the Bloc Quebecois will reject Motion No. 1.

[English]

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, I am pleased to address the House concerning amendments to Bill C-33, but first I want to say one thing. The ghosts of the champions of democracy that have passed on from this House will be moving very slowly with their heads bowed tonight. Because of this government this respected House of democracy has become a House of shame. This government has prostituted the principles of democracy. It has prostituted the fundamental values of democracy and it has prostituted everything sacred about democracy.

Members of the party at this end have sold their souls for 30 pieces of silver and they will find their potter's field before their term is over. It is a shame what has happened in this Chamber

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tonight. Those who value the fundamental richness of democracy will indeed be hanging their heads in shame tonight.

(2110)

In relation to Bill C-33, I would like to focus on one of the amendments put forward by my party. It deals with clause 5, the first amendment. The existence of clause 5 in this bill is a contradiction to the election promise of openness and transparency the government made. It takes away the democratic values and rights of this House to debate bills, to debate legislation which affects Canadians. This government has squashed that value.

We in the Reform Party have come to this House as the servants of the people of Canada. We have been entrusted to speak for the good of Canada, to question moves like this one tonight, to question the government's determination to ram through legislation that generations of Canadians will be paying for over and over again. The very thought that this government would ram through legislation that would take away the public debate—

The Acting Speaker (Mr. Kilger): Order. I have followed the debate attentively. I have been known in another light to have somewhat of a peripheral vision, but I have never been able to master hearing two or more people speak at any one time. I would like to share in hearing interventions by members on both sides of the House. I would ask the hon. member for Prince George—Bulkley Valley to continue, please.

Mr. Harris: As I was saying, this government has the audacity tonight to ram through a bill which will take away the debating privileges of this House on legislation that will be in the interests of all Canadians. It will not be debated in this House because this government has brought in closure on the further debate on Bill C-33.

I consider it only appropriate for the good of all Canadians, for the good of Canada, and for the good of the reputation of this House, that our amendment to clause 5 be adopted.

We are officials elected to represent the views of our constituents indeed, the views of all Canadians. This government would think otherwise. Government members would self-serve their private agendas, but this part of the House and this party speaks for the Canadian people, not for the special interest groups that supply support for the party.

The constituents, the taxpayers of this country, pay our salaries. They expect us to look after the best interests of Canada and Canadians, especially when it comes to the appropriation of land under public domain. They have paid for federal territorial and aboriginal negotiators who have drafted these land claim settlements. With clause 5 this government is telling the taxpayers that future settlements will not even come before this House

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for scrutiny by their elected representatives. Shame on this government.

With clause 5 the negotiators are no longer accountable. They are no longer accountable to the taxpayers since their settlements will simply be rubber stamped in cabinet. No debate, just a rubber stamp. That is something government members are very familiar with as they sat on this side of the House and accused the previous government of rubber stamping legislation. They learned very well from the Tories as they were sitting over here. Their apprenticeship is now complete and they are doing exactly the same thing they railed upon in this House in the last Parliament.

(2115)

An hon. member: The Tories never did it with no debate.

Mr. Harris: Mr. Speaker, in not allowing their elected representatives to speak on their behalf, the taxpayer has no say in the distribution of lands to the remaining 10 bands in the Yukon. This is not acceptable to the people of Canada. This is not acceptable to the values of democracy that were present in this House until this government got on that side of the House.

I repeat again, our amendment to clause 5 will preserve the values of democracy. It will give security to the Canadian people, security to know that bills will not be rammed through Parliament in the back rooms of this place.

I say it again. Shame on this government, shame on the way it has desecrated the democratic principles of this House. I hope they all sleep well tonight.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I had not initially intended to speak on this bill tonight but after hearing some of what I heard moments ago, I now feel that I must.

An hon. member: You do not understand democracy.

Mr. Boudria: The member across says I do not understand democracy. Maybe that is so. Maybe he is much more knowledgeable in such things than I. For 18 years I have had the opportunity of serving those who have elected me at the municipal, provincial and federal levels of government. But perhaps the member across has learned a lot more in the time he has been here. Perhaps that is so. I will defer of course to that wisdom, the kind of wisdom we have just heard in the speech he delivered to this House. I will let my colleagues decide on just how much wisdom was heard in the previous 10 minutes.

The member across has just said with this Bill C-33 that democracy is stifled by the government, or something to that effect. I am not going to refer to people who are presently here in Ottawa because I cannot refer to anyone who would be in the gallery. That would be improper. I want the people who are here

in Ottawa to know that I feel that the 21 years they have waited is more than long enough.

For members who say this bill was not debated sufficiently, last week we had an all night debate in committee, 16 hours straight of debating this bill in committee. Prior to that we had a second reading debate on this bill. Then we had an additional four hours of debate by the committee dealing with it and now another hour at report stage to be followed tomorrow by another hour at third reading.

Perhaps members think that individual bills should all be dealt with with more than 22 hours of debating time each. That is their privilege. That is more than an hour for every year that the people who are here in Ottawa have waited for this bill, not those in the gallery because I cannot refer to the gallery, but if I could I would.

I was at the committee last week for a good part of the time. I took three or four hours off and then came back. I saw people like the hon. member for Yukon who stayed there all night. The hon. member who is the chairman of the committee stayed their all night to defend the interests of constituents.

Some hon. members: Hear, hear.

(2120)

Mr. Boudria: I tip my hat to both of them and to the others who were there to stand by their constituents in obviously very difficult times. I make no apology tonight for people who have waited 21 years. I do not believe they should have waited another three months beyond the parliamentary recess and into the fall because that was the position the Reform Party was taking.

Reform Party members thought the bill should be dragged into the fall before being debated at third reading. They have every right to want to delay whatever they want to delay, but I also have every right to disagree with them, particularly after a bill has been debated in the House at second reading, for 20 hours in committee, for 2 hours at report stage, and then at third reading. That is more than long enough for the people in question to endure.

Finally, members across the way have said that they are the true defenders of democracy or some such nonsense. I wonder under whose definition that is. Is it under the definition of the people who have waited for 21 years, who are in Ottawa but not in the gallery, whom I cannot refer to but I would if I could? No, not according to them.

Let us apply another test. Three parties in the House tonight, the Liberal Party, the Bloc Québécois and the New Democratic Party, voted to end this debate. They as one party representing approximately one-quarter of the membership of the House say their view of democracy as explained by their number supercedes the wish of every one of us including people who have waited for 21 years.

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That is a test of democracy. Could it be that democracy if one is a Reformer means that which one can agree with as opposed to that which is good or that which is approved by the majority of the people? Could it be that is their definition of democracy? Perhaps it is.

I am proud we have taken plenty of time to debate the bill at all stages. All members were given an opportunity to debate the bill, including an opportunity to sit all night on a parliamentary committee. Some members did it. They put forward the propositions they felt were important.

I was at the committee for part of the time and I saw motions for adjournment. Does that sound familiar? We heard one of those tonight, except it cut into the time of the people proposing it. We shant mention that. That happened at the parliamentary committee. We had a dilatory motion. The last vote of the committee was if shall the bill be reported to the House. It carried unanimously at committee. I challenge anyone to read the proceedings of the committee.

When the chair asked "shall I report the bill to the House" the vote was yes. Let us hold that thought for a minute. When the bill returned to the House a few hours later who said the bill was not receivable by the House? It was the same people who gave unanimous consent to table it three hours before.

I am no expert in parliamentary procedure but surely there is something wrong with people who give unanimous consent to report a bill to the House and then say three hours later that the bill should not have been reported. That effort in itself proved to me that it was not the intention of the party to debate the bill further. They did not want the House to receive the report. How could those members say they want to debate it some more? Tonight, when we tried to debate these bills in addition to what we had debated them previously, what did they propose? They proposed adjournment to subtract time from the debating time they already had. This is sheer and utter nonsense on the part of the Reform Party. All members of Parliament know it, all Canadians know it, the people of the Yukon and the people who have waited 21 years know it especially.

(2125)

Mr. Bob Ringma (Nanaimo—Cowichan): Mr. Speaker, it is very interesting that the just made speech across the way is very typical of Liberal damage control. If you have a problem point your finger, accuse someone else and say it is all their fault. Are the people of Canada fooled by this? No, sir.

I would like to address the people of Canada on this motion. I take the word of my colleague a while ago. The word is shame. It is a terrible shame. The people are not going to be fooled by this. Closure is a shame. It is a travesty of democracy. You know it and you are going to pay for it.

The biggest shame however is figuring out what the motivation is. What has been the motivation across the way to dampen debate, to cut out debate, to stifle it? Could it possibly be that we do not want to hear any countervailing arguments? Could it be even that you want you want to catch your plane? Could it be that the Bloc Quebecois joined in because they want to catch their plane home? Or could it be that there was a little deal struck here? If so, more shame.

This is the first time that I have personally had to undergo this sort of a travesty. I will not forget it ever and I assure you that the voters of Canada will not forget it either.

I say to the hon. member for Nunatsiak who mentioned his dream that I sincerely hope, sir, that this will culminate in a dream for your people and a dream come true for the people of the Yukon. I hope, because of the ill-consideration of all of the facets of this, that it will not turn a dream into a nightmare.

I would like to underline a few principles that the Reform Party applies to native issues. The first is equality not among just natives but equality among all Canadians. The second is self-reliance. In this we mean elimination of the department of Indian affairs. The third would be the right to self-determination, the freedom to choose not to have the federal government or band councils impose lifestyle.

The fourth would be self-sufficiency, native self-government fashioned after municipal government models with input from all other Canadians. The fifth would be treaty negotiations, fair resolution of all past, present and future native and non-native obligations involving input from all Canadians. Finally, we believe in settling land claims through a fair negotiation involving all Canadians and not just orders in council.

This bill addresses some basic problems concerning the role of the House of Commons. It has always been my belief as a non-politician, perhaps as a naive Canadian, that this House is here to represent the interests of all Canadians. Obviously that means all Canadians without regard to race, religion or ethnic background. I sometimes believe this to be true particularly if I talk person to person with members of this House, even across the way. There are other times however when party machinery gets into gear and I doubt very much at that time that the common wheel of all of Canada is the objective. The handling of Bills C-33 and C-34 certainly raises such doubts. If there was any doubt before tonight that doubt is out the window now.

(2130)

The original purpose is no doubt well-intentioned but its execution here in Parliament raises very fundamental questions about the operation of the House. What is the hurry? We have to ask that in the case of these two bills. What is the hurry?

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We have legislation here of the greatest importance that, as we have heard, has been worked on for over 20 years, legislation that will have a profound influence on the future of Canada, legislation so voluminous that it has to be measured in inches and weighed in pounds and the government says: "Okay, look at it quickly, now get on with it".

The situation was well described when we heard about this for the first time by my colleague from North Island—Powell River when he said:

Mr. Speaker, yesterday we had the introduction of Bills C-33 and C-34 which would ratify land claims and self-government agreements in the Yukon. Last week we were told the government wished to have these bills introduced later in June with the understanding that MPs would have time to prepare properly.

These bills represent the culmination of 21 years of mostly behind closed doors work without the involvement of federal parliamentarians. Today, 24 hours after tabling, Parliament is being asked to debate these bills at second reading.

This is an obvious abuse of power. The Liberal red ink book speaks of the integrity of Parliament. Surely assimilating over nine inches of text overnight with a rushed departmental briefing the next morning does not speak well of the integrity of Parliament or the interest of all Canadians. This action is a travesty of Parliament.

Since then, because of the limited time for debate and in reaction to the government's desire to get the bills passed, the Reform Party has had to drag out discussions of the bill in committee. Here we are back in the House. We were hoping to forestall any precipitate decision on the bills but obviously that is out the window as well.

We have an obligation to the Canadian public, not just us but all Canadians, to let the public know what is going on.

Remarkably, the same hasty panic occurred in the House a year ago when a similar bill zipped through the House in a single day. That was Bill C-133 which created Nunavut. Bill C-133 dealt with one-fifth of the Canadian land mass. In effect it created a new province, therefore affecting the Constitution of the country. It allocated \$580 million to 17,000 Inuit. Bill C-133 was rushed through the House in one single day on June 4, 1993.

The opposition agreed with the bill. What deal was made? In spite of the enormous implications of that bill the Canadian public did not react. Why did it not react? Timing and orchestration. Rush a bill through. Restrict debate and nobody is the wiser. What was going on there and what is going on here? What on earth is the hurry?

I can only identify two people who spoke out against Bill C-133. One was the Reform member for Beaver River; the other was Pat Nowlan, the then member for Annapolis Valley-Hants. I would like to quote from of Mr. Nowlan's remarks, he being an

independent Conservative. After he gave a little plaudit, Mr. Nowlan went on to say:

I speak almost with a forked tongue. That gets into the substance of the agreement I am glad to say is here today. It has to be put on the record that I am totally against the process. To have had the minister of Indian affairs speak for 18 minutes as he did in introducing this bill at second reading does not even begin to equal the 15 or 16 years it took to get the agreement. The member for Comox—Alberni said 20 or 25 years—If there was ever an example of a dead Parliament doing dangerous things, this bill sadly is it. This bill should not have been brought in in the closing days of Parliament, the last weekend before we rise. Whether we come back, we do not know.

(2135)

He was prescient, was he not? Look at the similarity of that situation one year ago today to what we have here in this House tonight. I go on to quote, time coming up.

With all the good things the minister of Indian affairs and other speakers have said about it, this bill has the potential of nation building, of bringing the Inuit into the federation on some of the major points of the agreement.

That was his cry of shame, that the thing was not properly debated and considered.

In summary, we have had a shame before this House this evening. I hope the people of Canada will lock it away and remember it.

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development): Mr. Speaker, I rise with a certain amount of sadness. I thought I would hear something more profound, more healing tonight.

Nine months ago when we arrived I was given the red book. I come from a steel town with not a lot of aboriginal people. Within the red book there was a map, a direction. Part of that map involved exactly what we are doing tonight.

I went to the Yukon. I went north three times. I met with the Yukon people. I met women who talked about Bill C-31 status with tears in their eyes. I met elders who thought that they would never have any honour given back to them. Poverty, you have no idea of the poverty or the housing.

When the white man came to Canada—and the aboriginal people use that term not in a derogatory way; they mean non-aboriginal people—we came with a certain amount of avarice. We came here for our property which they were holding temporarily for us for 10,000 years.

We went there and we said we would do the honourable thing. We hired the best negotiators. I wish I had them today. If you look at the 11 treaties, what do they have? A suit of clothes for the head man, a suit of clothes for the chief, a medal which tarnishes, a few acres for each family of five, \$8, \$9 or \$10 a year. We would take the equivalent of half of provinces. There was one thing honoured in those treaties—

Government Orders

The Acting Speaker (Mr. Kilger): Order. I believe there is a well established practice in this House that we refer to one another by ridings or portfolios, as the case may be. Obviously, it is no great news when I tell you that this debate is one of great importance and which brings great conviction from both sides of the House, from both sides of the debate. I would hope that we could be able to follow that debate and be able to all share and hear whatever interventions might be made by whatever members from whichever side of the House.

Mr. Irwin: Mr. Speaker, after that meeting with the aboriginal people I took the time to meet with the mayors. They said they want this legislation. I met with their legislative people, all of them. They not only want it, they have passed the mirror legislation already. I met with the mining association. They want it. I did not meet anybody up there who really did not want it. I said: "This should be easy legislation. When I get back to Ottawa I am going to have difficulty on other legislation. Reform Party members say they will listen to the people. This is in their platform. I heard it for eight months during the campaign. This should be easy to get through the House of Commons".

(2140)

Mr. Anderson: Boy, were you shocked.

Mr. Irwin: I was shocked. I was surprised. I am facing an agenda of the Reform Party.

An hon. member: Put it to a referendum.

Mr. Irwin: Stay quiet and you will learn something. Somewhere in this city is a lady called Judy Gingell. Somewhere in this city she is sitting close to tears because she has been working on this matter for 21 years. She did not come on the scene eight months ago with this agenda.

Then we started hearing the agenda of the Reform Party. I must apologize to the Reform Party because last week I said on the first sentence of any substance I heard that it was 56 words and there were 8 derogatory words about aboriginal people. I apologize. It was 56 words and there were 9 derogatory statements. This is the sentence and these are the words talking about aboriginal people: misappropriation, fraudulent, mismanagement, authorized purposes, interference, fear, intimidation, assault and forcibly. They were in one sentence. That is the agenda.

I have a direct quote on April 25 from a member of the Reform Party: "I will not accept the popular myth"—

Some hon. members: Oh, oh.

Mr. Irwin: Listen to your own words. No wonder members of the Reform Party are groaning. They cannot stand to listen to their own words: "I will not accept the popular myth spread by certain self-serving interests that the encroachment of European

settlers constituted an injustice against aboriginal people here or anywhere else in Canada". That was said by the member for Athabasca on April 25 in the House.

I wish the Reform Party would read the recent report of the Canadian Human Rights Commission in which it says that the plight of native Canadians is by far the most serious human rights problem in Canada. It continues that the failure—and I see it here tonight with the Reform Party—to achieve a more global solution can only continue to tarnish Canada's reputation and accomplishments.

Last week I was sitting here with some Liberals and I heard a Reform member say: "Indians are lazy. They live in south sea islands and periodically"—

Some hon. members: Oh, oh.

Mr. Irwin: The husbands sat around and burned their wives on their arms. That is not acceptable in this country.

Mr. Hermanson: Mr. Speaker, I rise on a point of order. The words that were attributed to an hon. member were not accurate and I would ask the hon. minister to withdraw them immediately.

The Acting Speaker (Mr. Kilger): I regret that is not a point of order, although I know an issue of great sensitivity has been dealt with at another time in the House, something that all members may want to keep in mind through these deliberations.

Mr. Irwin: Mr. Speaker, it is not only what they said after being admonished in every newspaper I saw on my way to B.C., from here to Victoria. Yesterday or the day before that hon. member said he was quite proud of those words, even after that.

If I never stand another night in the House, tonight is a proud night for me, to be among Liberals and Canadians from across Canada in all parties who want to do the right and honourable thing for some people in Canada.

Some hon. members: Oh, oh.

Mr. Irwin: If you do not want to listen, you do not want to listen. Leave or stop shouting. We want to do the honourable thing along with the member for Yukon, a member I am very proud to sit in the House with, notwithstanding that she is sitting in that section.

(2145)

She is a woman of passion, of caring, of knowledge and it is too bad the Reform does not periodically stop staring at us and turn around. It might learn something.

These people in Yukon have been living there for 10,000 years and negotiating for 21 years with various governments. Tonight they are going to get justice and I am going to be proud to stand for that justice.

Some hon. members: Hear, hear.

Government Orders

[Translation]

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, it is with great pride that I rise tonight to speak to bills C-33 and C-34. I would like to thank the Bloc Québécois for allowing me this opportunity to express my support for the first nations of the Yukon and for justice for Canada's aboriginal peoples.

[English]

In the short time I have there were several things said tonight that I would like to take this opportunity to correct. One was from my good friend across the way who spoke about the negotiations being 21 years which indeed they were.

I would say that the people of Yukon and the Yukon Indian people have been waiting 92 years because it was in 1902 that Chief Jim Boss first raised the issue of land claims in Yukon. I say if not after 92 years, then when? Now is the time for the justice that the minister spoke of earlier.

Some hon. members: Hear, hear.

Ms. McLaughlin: The member for the Reform Party said this was done behind closed doors. I say to this House that these were the most open closed doors I have ever seen in the 15 years I have been in the Yukon.

There have been many consultations throughout Yukon. The previous government leader of Yukon in giving evidence before the committee mentioned that in the previous government they had done 100 public consultations. The current government leader of Yukon and his government have also done numerous consultations around Yukon in the communities and with various organizations including the Chamber of Commerce and the outfitters and so on.

The Council for Yukon Indians has done extensive consultations with aboriginal and non-aboriginal people in Yukon.

For many of us in Yukon, and for myself not originally coming from Yukon, it has been a very educative process over the last 15 years to watch the development of this issue. What we see tonight with the co-operation of at least three political parties in this House is expressing real democracy for justice, for a historical obligation, long overdue.

I congratulate the minister on his remarks and on his perseverance on this issue. We are showing through these two pieces of legislation an opportunity for Canadians to come together to resolve historical obligations, to fight for real equality of every citizen.

As a Yukoner, not as a member of Parliament, I say that these pieces of legislation bring real equality to every person living in the Yukon and serves as a model for the rest of Canada.

In conclusion, I would like to say there has been much discussion about what we are giving to aboriginal people. This is

a fundamental misunderstanding of what this legislation is about and the history of Canada.

As a European politician some time ago said, the land was stolen fair and square.

(2150)

This is an attempt to redress a wrong to a people. I would also like to correct one other statement that was made. It was that Yukon First Nations peoples have been in that region for 10,000 years. Anthropological evidence will indicate it has been at least 20,000 years.

Surely it is time the people of Canada and this Parliament say it is time for Yukoners, it is time for Yukon First Nations to have what is their right, to have what is their responsibility and for us to stand proudly tonight to support that justice and to see that justice is done.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Kilger): Pursuant to an order made earlier today, in accordance with Standing Order 78(2) it is my duty to interrupt the proceedings and put all questions necessary to dispose of the report stage of the bill now before the House.

The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 76(1)(8), a recorded division on the motion stands deferred.

The next question is on Motion No. 2. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Government Orders

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 76(1)(8), a recorded division on the motion stands deferred.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 76(1)(8), a recorded division on the motion stands deferred.

The House will now proceed to the taking of the deferred divisions at the report stage of the bill now before the House.

Call in the members.

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

(Division No. 75)

YEAS

Members

Abbott
Benoit
Breitkreuz (Yorkton—Melville)
Chatters
Duncan
Forsyth
Gilmour
Grubel
Harper (Calgary West)
Hart
Hill (MacLeod)
Hoepfner
Mayfield
Mills (Red Deer)
Penson
Ringma
Scott (Skeena)
Speaker
Thompson

Ablonczy
Breitkreuz (Yellowhead)
Bridgman
Cummins
Epp
Frazer
Grey (Beaver River)
Hanrahan
Harris
Hermanson
Hill (Prince George—Peace River)
Johnston
McClelland (Edmonton Southwest)
Morrison
Ramsay
Schmidt
Solberg
Strahl
Williams—38

NAYS

Members

Adams	Alcock
Allmand	Anawak
Anderson	Arseneault
Assadourian	Bachand
Baker	Barnes
Berger	Bertrand
Blaikie	Bodnar
Bonin	Boudria
Brien	Brown (Oakville—Milton)
Brushett	Bryden
Bélair	Caccia
Calder	Caron
Catterall	Cauchon
Chamberlain	Chan
Chrétien (Frontenac)	Clancy
Cohen	Comuzzi
Copps	Cowling
Culbert	Davault
de Savoye	DeVillers
Discepola	Dromisky
Dubé	Duceppe
Duhamel	Dupuy
Easter	Fewchuk
Flis	Fontana
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gagnon (Québec)	Galloway
Godfrey	Graham
Gray (Windsor West)	Grose
Guarnieri	Harb
Harper (Churchill)	Hopkins
Ianno	Iftody
Irwin	Jackson
Jordan	Kirkby
Knutson	Kraft Sloan
Langlois	Lavigne (Verdun—Saint-Paul)
Loney	MacAulay
MacLellan (Cape Breton—The Sydneys)	Maloney
McCormick	McLaughlin
McTeague	McWhinney
Mifflin	Minna
Mitchell	Murphy
Murray	O'Brien
O'Reilly	Pagtakhan
Parrish	Patry
Peters	Peterson
Pickard (Essex—Kent)	Pillitteri
Proud	Reed
Regan	Richardson
Rideout	Robichaud
Rock	Scott (Fredericton—York Sunbury)
Shepherd	Sheridan
Skoke	Speller
St. Denis	Steckle
Szabo	Telegdi
Terrana	Thalheimer
Tobin	Torsney
Ur	Valeri
Vanclief	Volpe
Wells	Whelan
Young —119	

PAIRED—MEMBERS

Members

Bouchard	Chrétien (Saint-Maurice)
Crête	Finestone
Gauthier (Roberval)	Lavigne (Beauharnois—Salaberry)
Lincoln	Zed

Government Orders

(2200)

The Acting Speaker (Mr. Kilger): I declare Motion No. 1 negatived.

Mr. Harvard: Mr. Speaker, I rise on a point of order. I was not able to be here for the beginning of the vote. Had I been here, I would have voted with the government.

Mrs. Bakopanos: Mr. Speaker, on a point of order, I wish to register my vote with the Liberals.

Mr. Dhaliwal: Mr. Speaker, on a point of order, I was not here for the vote but I would have voted with the government.

The Acting Speaker (Mr. Kilger): The next question is on Motion No. 2.

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

*(Division No. 76)***YEAS**

Members

Abbott
Benoit
Breitkreuz (Yorkton—Melville)
Chatters
Duncan
Forseth
Gilmour
Grubel
Harper (Calgary West)
Hart
Hill (Macleod)
Hoepfner
Mayfield
Morrison
Ramsay
Schmidt
Solberg
Strahl
Williams—37

Ablonczy
Breitkreuz (Yellowhead)
Bridgman
Cummins
Epp
Frazer
Grey (Beaver River)
Hanrahan
Harris
Hermanson
Hill (Prince George—Peace River)
Johnston
Mills (Red Deer)
Penson
Ringma
Scott (Skeena)
Speaker
Thompson

NAYS

Members

Adams
Allmand
Anderson
Assad
Bachand
Bakopanos
Berger
Blaikie
Bonin
Brien
Brushett
Bélair
Calder
Catterall
Chamberlain
Chrétien (Frontenac)
Cohen
Comuzzi
Cowling
Culbert
de Savoye
Dhaliwal
Dromisky
Duceppe
Dupuy

Alcock
Anawak
Arseneault
Assadourian
Baker
Barnes
Bertrand
Bodnar
Boudria
Brown (Oakville—Milton)
Bryden
Caccia
Caron
Cauchon
Chan
Clancy
Collins
Coppes
Crawford
Davialt
DeVillers
Discepola
Dubé
Duhamel
Easter

Eggleton
Fewchuk
Flis
Gagliano
Gagnon (Québec)
Godfrey
Graham
Grose
Harb
Harvard
Hubbard
Iftody
Jackson
Keys
Knutson
Langlois
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan (Cape Breton—The Sydneys)
Maloney
McLaughlin
McWhinney
Milliken
Mitchell
Murray
O'Reilly
Parrish
Peters
Phinney
Pillitteri
Reed
Richardson
Robichaud
Rompkey
Shepherd
Skoke
St. Denis
Szabo
Terrana
Tobin
Ur
Vanclief
Wells
Wood

English
Finlay
Fontana
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Galloway
Goodale
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Hopkins
Ianno
Irwin
Jordan
Kirkby
Kraft Sloan
Lavigne (Verdun—Saint-Paul)
Loney
MacLaren (Etobicoke North)
Maheu
McCormick
McTeague
Mifflin
Minna
Murphy
O'Brien
Pagtakhan
Patri
Peterson
Pickard (Essex—Kent)
Proud
Regan
Rideout
Rock
Scott (Fredericton—York Sunbury)
Sheridan
Speller
Steckle
Telegdi
Thalheimer
Torsney
Valeri
Volpe
Whelan
Young —138

PAIRED—MEMBERS

Members

Bouchard
Crête
Gauthier (Roberval)
Lincoln

Chrétien (Saint-Maurice)
Finestone
Lavigne (Beauharnois—Salaberry)
Zed

(2205)

[Translation]

The Acting Speaker (Mr. Kilger): I declare Motion No. 2 negatived.

The next question is on Motion No. 3.

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

*(Division No. 77)***YEAS**

Members

Abbott
Benoit
Breitkreuz (Yorkton—Melville)
Chatters
Duncan
Forseth
Gilmour

Ablonczy
Breitkreuz (Yellowhead)
Bridgman
Cummins
Epp
Frazer
Grey (Beaver River)

Government Orders

Grubel
Harper (Calgary West)
Hart
Hill (Macleod)
Hoepfner
Mayfield
Morrison
Ramsay
Schmidt
Solberg
Strahl
Williams—37

Hanrahan
Harris
Hermanson
Hill (Prince George—Peace River)
Johnston
Mills (Red Deer)
Penson
Ringma
Scott (Skeena)
Speaker
Thompson

(2210)

The Acting Speaker (Mr. Kilger): I declare Motion No. 3 negated.

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development) moved that the bill be concurred in.

(2215)

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

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

(Division No. 78)

YEAS

Members

Adams
Allmand
Anderson
Assad
Bachand
Bakopanos
Berger
Blaikie
Boudria
Brown (Oakville—Milton)
Bryden
Caccia
Caron
Cauchon
Chan
Clancy
Comuzzi
Cowling
Daviault
DeVillers
Discepola
Dubé
Duhamel
Easter
English
Finlay
Fontana

Alcock
Anawak
Arseneault
Assadourian
Baker
Barnes
Bertrand
Bodnar
Brien
Brushett
Bélair
Calder
Catterall
Chamberlain
Chrétien (Frontenac)
Cohen
Copp
Culbert
de Savoye
Dhaliwal
Dromisky
Duceppe
Dupuy
Eggleton
Fewchuk
Flis
Gagliano

NAYS

Members

Adams
Anawak
Arseneault
Assadourian
Baker
Barnes
Bertrand
Bodnar
Brien
Brushett
Bélair
Calder
Catterall
Chamberlain
Chrétien (Frontenac)
Cohen
Comuzzi
Cowling
Daviault
DeVillers
Discepola
Dubé
Duhamel
Easter
English
Finlay
Fontana
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Galloway
Goodale
Gray (Windsor West)
Guarnieri
Harper (Churchill)
Hopkins
Ianno
Irwin
Jordan
Kirkby
Langlois
LeBlanc (Cape Breton Highlands—Canso)
MacAulay
MacLellan (Cape Breton—The Sydneys)
McCormick
McLaughlin
McWhinney
Minna
Murphy
O'Brien
Pagtakhan
Peters
Phinney
Proud
Robichaud
Rompkey
Skoke
Szabo
Thalheimer
Vanclief
Whelan
Young —119

Allmand
Anderson
Assad
Bachand
Bakopanos
Berger
Blaikie
Boudria
Brown (Oakville—Milton)
Bryden
Caccia
Caron
Cauchon
Chan
Clancy
Collins
Copp
Culbert
de Savoye
Dhaliwal
Dromisky
Duceppe
Dupuy
Eggleton
Fewchuk
Flis
Gagliano
Gagnon (Québec)
Godfrey
Graham
Grose
Harb
Harvard
Hubbard
Iftody
Jackson
Keyes
Kraft Sloan
Lastewka
Loney
MacLaren (Etobicoke North)
Maloney
McKinnon
McTeague
Mifflin
Mitchell
Murray
O'Reilly
Parrish
Peterson
Pickard (Essex—Kent)
Rideout
Rock
Shepherd
Speller
Terrana
Tobin
Volpe
Wood

PAIRED—MEMBERS

Members

Bouchard
Crête
Gauthier (Roberval)
Lincoln

Chrétien (Saint-Maurice)
Finestone
Lavigne (Beauharnois—Salaberry)
Zed

Adjournment Debate

Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Galloway	Godfrey
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Harb
Harper (Churchill)	Harvard
Hopkins	Hubbard
Ianno	Ifody
Irwin	Jackson
Jordan	Keyes
Kirkby	Kraft Sloan
Langlois	Lastewka
LeBlanc (Cape Breton Highlands—Canso)	Loney
MacAulay	MacLaren (Etobicoke North)
MacLellan (Cape Breton—The Sydneys)	Maloney
McCormick	McKinnon
McLaughlin	McTeague
McWhinney	Mifflin
Minna	Mitchell
Murphy	Murray
O'Brien	O'Reilly
Pagtakhan	Parrish
Peters	Peterson
Phinney	Pickard (Essex—Kent)
Proud	Regan
Rideout	Robichaud
Rock	Rompkey
Scott (Fredericton—York Sunbury)	Shepherd
Skoke	Speller
Steckle	Szabo
Terrana	Thalheimer
Tobin	Torsney
Ur	Vanclief
Volpe	Walker
Wells	Whelan
Wood	Young —126

NAYS

Members

Abbott	Ablonczy
Benoit	Breitkreuz (Yellowhead)
Breitkreuz (Yorkton—Melville)	Bridgman
Chatters	Cummins
Duncan	Epp
Forsyth	Frazer
Gilmour	Grey (Beaver River)
Grubel	Hanrahan
Harper (Calgary West)	Harris
Hart	Hermanson
Hill (Macleod)	Hill (Prince George—Peace River)
Hoeppner	Johnston
Mayfield	Mills (Red Deer)
Morrison	Penson
Ramsay	Ringma
Schmidt	Scott (Skeena)
Solberg	Speaker
Strahl	Thompson
Williams—37	

PAIRED—MEMBERS

Members

Bouchard	Chrétien (Saint-Maurice)
Crête	Finestone
Gauthier (Roberval)	Lavigne (Beauharnois—Salaberry)
Lincoln	Zed

(2220)

The Acting Speaker (Mr. Kilger): I declare the motion carried.

ADJOURNMENT PROCEEDINGS

[English]

A motion to adjourn the House under Standing Order 38 is deemed to have been moved.

TRADE

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke): Mr. Speaker, yesterday in question period I raised a question about the flooding of the Canadian market with imported disposable plastic lighters coming in from the Orient and that they were destroying the match business in Canada.

We have three plants: one in Pembroke, one in London and I believe one in Montreal. Over the last 25 years over 1.5 billion disposable plastic lighters have been imported into Canada. Each and every one of these lighters will be in landfill sites or will remain scattered about our environment for hundreds of years.

Every component of a disposable lighter is non-biodegradable and derived from non-renewable resources. It is estimated that all disposable plastic lighters brought into Canada alone would circle the earth three times if laid end to end or pave a four-lane highway from Halifax to Vancouver. The number imported annually is growing and this year we will see some 60 million plastic lighters enter our country. As a result of that we are losing jobs.

(2225)

Paper matches on the other hand are made from renewable resources, composed of biodegradable materials and wherever possible, made using recycled paper products. These matches will not be found in our now overflowing landfills one year from now. Paper matches are manufactured in Canada by Canadians for the domestic market and for export, whereas not a single plastic disposable lighter is manufactured in Canada and therefore does not create a job in the manufacturing industry.

Eddy Match has been producing matches in the Ottawa Valley since 1851 and is one of the most respected match companies in the world. It faces a real threat from disposable plastic lighters, as do other match companies. It has announced the closure of the Canadian Splint division which produces wooden matchsticks for export to other match companies.

Plastic lighters, many of which may not meet Canadian safety regulations, continue to threaten Eddy Match and its paper match operations. They are threatening one of Canada's oldest exporting manufacturers while providing no stimulus or input to our ailing manufacturing industry.

Adjournment Debate

I believe that in the year 2001 the Eddy Match company will celebrate its 150th anniversary of manufacturing matches in Canada. Here we are even today, this year, 1994, bringing in 60 million plastic lighters from the orient which is destroying the match business in Canada. Fifty-six people are losing their jobs at the plant in Pembroke, Ontario. At the same time other match companies are being threatened as well.

This is not just an environmental issue. This is indeed a trade issue and the trade issue was not emphasized in yesterday's answer that I received. I am interested in the trade effects on Canada. I am interested in the jobs that my constituents are losing. I am interested in those people out there who are trying to find landfills big enough to bury 60 million disposable plastic lighters a year which we are doing nothing about to prevent them from coming into this country.

I would like a serious decision to be made on these lighters and on the environmental unfriendliness of them and indeed the job loss to Canadians. Today as a result of these imports Eddy Match no longer makes any wooden matches in Canada. That is the end of a very historic industry in Canada which is based on the wood business.

This goes far beyond the environment. It goes far beyond jobs. It goes far beyond trade. It is destroying a historic Canadian industry. I would therefore like the Government of Canada to take some action on plastic lighters.

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade): Mr. Speaker, first let me begin by congratulating the member for Renfrew—Nipissing—Pembroke who has been working very hard on behalf of his constituents for the past 25 years. He never lets an issue slide by without being on the front line fighting for his constituents and the business people in his riding. I commend him for that.

The member raises some very important points in relation to his question with regard to the importation of disposable plastic

lighters and the impact of this activity on Canadian jobs, as well as Canada's physical environment.

As far as trade is concerned, it is not clear that the import of disposable plastic lighters from Asia into Canada does constitute unfair trade competition. I would encourage the member as well as the Canadian companies involved to provide any evidence that might be at their disposal.

As members know, the Special Import Measures Act provides protection to Canadian companies injured by unfairly traded goods, for example if the goods are dumped or are subsidized.

The statistics cited by the hon. member with regard to the ultimate fate of the 1.5 billion disposable plastic lighters imported into Canada over the past 25 years raises an important environmental issue.

This government is firmly committed to actively working toward reducing waste generation through reduction, reusing and recycling programs. We work closely with our provincial colleagues in this regard.

Ultimate success in achieving this goal will depend to a significant degree on educating consumers and encouraging voluntary actions on the part of all Canadians. This aim as in the case of other environmental goals is best achieved in the context of sustainable economic development without recourse to temporary trade distorting measures.

Having said all of this, I would like to thank the hon. member for bringing this issue to the attention of the government. It is my hope that if he can provide some more information about this issue we will have a chance to look at it a little more closely.

The Acting Speaker (Mr. Kilger): This concludes the business of this day. It being 10.30 p.m., pursuant to order made Thursday, June 9, 1994, this House stands adjourned until tomorrow at 2 p.m., pursuant to Standing Order 24(1).

(The House adjourned at 10.30 p.m.)

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