



House of Commons Debates

VOLUME 133

NUMBER 123

1st SESSION

35th PARLIAMENT

OFFICIAL REPORT
(HANSARD)

Tuesday, November 15, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Tuesday, November 15, 1994

The House met at 10 a.m.

Prayers

[English]

POINTS OF ORDER

QUESTION PERIOD

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, I rise today because like you I was concerned about reports in the press which gave the impression that I had accused you of favouritism with respect to one particular party in the House vis-à-vis question period. I want to make it absolutely clear for the record that I have not done that.

I continue to be concerned, as you well know, Mr. Speaker, about question period and the role of my party in it. However at no time have I suggested that Your Honour had any bias toward any particular party in this Chamber. I want to make that absolutely clear.

The Speaker: I thank the hon. member for Winnipeg Transcona for his courtesy. As a veteran parliamentarian it is all the more important that this type of thing be clarified at the earliest opportunity.

As far as I and the House are concerned with regard to the hon. member for Winnipeg Transcona I consider this matter to be closed. I thank him very much for his statement.

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to 22 petitions.

[Translation]

DEPARTMENT OF LABOUR ACT

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ) moved for leave to introduce Bill C-287, an act to amend the Department of Labour Act (eligibility for assistance for long-service employees).

(1010)

He said: Mr. Speaker, I want to point out that the aim of this bill, which I am introducing for the second time, is to amend the Program for Older Worker Adjustment or POWA, in particular as regards the eligibility of Montreal workers who are terribly discriminated against in the sense that in case of a layoff, a firm has to dismiss 100 employees at the same time for its workers to qualify for assistance, which does not fit the Montreal industrial fabric. I hope this bill will have the support of the House.

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

* * *

[English]

PETITIONS

ASSISTED SUICIDE

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I rise today to present a petition on behalf of 40 Calgarians who pray and call on Parliament to ensure that the present provisions of the Criminal Code of Canada prohibiting assisted suicide be enforced vigorously and make no changes in the law which would sanction the aiding or abetting of suicide or active or passive euthanasia.

As debate on this issue continues to increase, I call on all members of Parliament to send information to their constituents that is representative of both sides of the argument.

HUMAN RIGHTS

Mr. Janko Peric (Cambridge, Lib.): Mr. Speaker, I have the honour to table a petition containing 52 signatures which was forwarded to me by constituents of my riding of Cambridge.

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

*Supply***QUESTIONS PASSED AS ORDERS FOR RETURNS**

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, if Question No. 47 could be made an Order for Return, this return would be tabled immediately.

The Speaker: Is it the pleasure of the House that Question No. 47 be deemed to have been made an Order for Return?

Some hon. members: Agreed.

[*Text*]

Question No. 47—**Mr. Scott:**

What is the list, what is the total amount and what is the amount spent on each social function attended and each trip undertaken by each Deputy Minister for the fiscal years 1991, 1992 and 1993?

Return tabled.

[*English*]

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

The Speaker: Shall the remaining questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—RAILWAYS

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ) moved:

That this House condemn the government's lack of action and transparency with respect to the proposed restructuring of Canada's rail system, the gradual abandonment of regional services by CN, CP and VIA, especially in Quebec, and the government's lack of vision with respect to high-speed trains.

He said: Mr. Speaker, I thank you for having read before the House the motion on railway transportation that I have the honour of introducing.

As you have already mentioned, I want the House, in other words the hon. members, to condemn the Liberal governments's lack of action and transparency with respect to the proposed restructuring of Canada's rail system. I also wish to condemn the gradual abandonment of regional services by CN, CP and VIA Rail, especially in Quebec, and I want to stress the government's lack of vision with respect to high-speed trains.

After the last war, people came to believe that mass transportation in rich societies like that of Quebec would eventually be abandoned and replaced by cars and trucks. Railway transportation gradually collapsed while billions of dollars went into building a complex highway network.

(1015)

During that period, Europe and Asia upgraded their railway transportation networks, which came to play a fundamental role in their economic development. Europe in particular relied heavily on its train network as a public means of transportation.

Railway transportation plays a fundamental role in the Canadian transportation system. The most important contribution of railways to the Canadian transportation network is, without a doubt, in the natural resources sector. In 1993, according to the National Transportation Agency, bulk products like potash, wheat, coal, lumber, newsprint, etc. accounted for about 54 per cent of the traffic on all railway lines, down about 2 per cent from the previous year, 1992. That shows to what extent railway companies are dependent on raw materials.

At the intermodal level, rail-road transportation is the most important, followed by rail-road-water transportation. Intermodal transportation is an important and growing part of traffic for CN and CP. In 1993, this traffic increased by 8 per cent for both companies. It amounted to 6.2 million tonnes for CN and 5.4 million tonnes for CP.

In 1993, it was the third most important area for both CN and CP. This explains why the two companies are investing heavily in this sector. For example, CN built the St. Clair tunnel between Sarnia and Port Huron, and CP upgraded the western tunnels on its line.

In the last few years, CN and CP have entered into large contracts with intermodal or trucking companies. CN in particular signed a deal with CSX, an American firm, for the transportation of truck trailers between Canada and the American midwest and southeast regions. CP did the same with Gilford Transportation. Intermodal transport has the highest growth potential for railway companies.

For Canadian railways, competition comes mainly from two sectors: trucking and railway transportation through the US. Trucking is heavily subsidized by the government since truckers do not have to pay for the building and maintenance of the roadway. As railway companies must develop and maintain their own network, truckers have an important advantage over railway companies.

CN and CP have repeatedly complained about the inequity of the fiscal treatment in Canada and in the United States. It would seem that because of the diesel tax and the various real estate taxes they must pay on lands crossed by the railway, their tax

burden is heavier than that of their American competitors, which causes Canadian carriers to be non-competitive. CP estimated the tax burden on railway companies to be 48 per cent higher in Canada than in the United States.

We know that the financial situation of both CN and CP is far from brilliant. We know that both companies are unable to generate sufficient operating revenues to post net profits. As a matter of fact, since 1988, CN has posted a profit only once, in 1989; in 1992, the company lost around \$900 million. It is encouraging to note that since the beginning of 1994, CN has posted a profit of around \$200 million. However, it is not enough to produce an acceptable return on investment.

For its part, since 1988, CP has lost money only in 1991 and 1992, but its profits are also quite inadequate to produce an acceptable return on investment.

Moreover, in Canada, since 1987, railway companies have been experiencing a drop in return on investment; it was only 3 per cent in 1992. This situation is of great concern since American carriers have experienced an increase in return on investment from 4.9 per cent, in 1987, to 7.2 per cent, in 1992.

If railway companies are not able to generate sufficient profits, it is obvious that they will be unable to invest enough money to maintain and improve their network.

I will now say a few words about traffic. In 1993, total railway traffic amounted to 238.9 million tonnes, an increase of 1.1 million compared to 1992.

(1020)

Again according to the National Transportation Agency, CN accounted for 39.6 per cent of domestic rail traffic and CP had a 33.1 per cent share, leaving 27.3 per cent for regional companies.

As for the workforce, we know that in 1985, CN and CP Rail had 77,960 employees. By 1993, this number had fallen to 48,841. The same year, the total payroll of both companies was \$2.7 billion or 49 per cent of their \$5.5 billion operating costs. Then CN implemented a plan to streamline its workforce. From 32,392 the number of workers went down to 22,395. Some 2,096 people work at company headquarters in Montreal. In all, close to 6,800 people work for CN in Quebec.

Nowhere in the world does the passenger railway service really break even. It is a public service as are the road system, the school bus system, the St. Lawrence Seaway, the coast guard, the armed forces and others. I could go on and on.

Canada had established a respectable railway system that was acclaimed in all European countries. Canada would never have developed like it did if our two coasts on the Atlantic and the Pacific had not been connected by the railroad. Other countries go on operating and developing their passenger service even if it is not cost-effective because it is beneficial in other ways.

Supply

Take the way it relieves traffic congestion on highways. Also, in remote areas, for instance in Abitibi, in the Gaspé Peninsula, in Saguenay—Lac—Saint—Jean, passenger rail service is essential in order to compensate for the shortfalls of the education system, the lack of cegeps and universities, and also the lack of specialized health care. We cannot picture someone from the Gaspé paying approximately \$600 to fly to Montreal for medical treatment, much less riding in a bus for 22 hours. A train with the new technology could replace these methods of transportation, and do so economically.

It must be borne in mind that the train, using the new technologies as is done in Europe, almost completely eliminates pollution. Even with the existing technology, trains produce far less pollution than do cars or buses.

As you know, Mr. Speaker, cutting passenger rail links in the suburbs of major cities and outlying regions will just send the traffic back to the roads and shift the expenditures from the federal government to the provinces. The Canadian industry is obviously interested in maintaining passenger transportation at home, given that it has developed technology that it is exporting abroad.

The saying “No man is a prophet in his own country” certainly applies to Bombardier, which exports its technology. The success of TGV in France is a case in point.

The abandonment of passenger lines seems imminent on certain Quebec lines, such as Jonquière—Montréal, the Chaleur line, Gaspé—Montréal, Montréal—Senneterre, Senneterre—Cochrane, in Ontario and Montréal—Saint John, in New Brunswick, and Halifax.

As this House knows, the abandonment of passenger services is not subject to the National Transportation Act. In any event, some of my colleagues will have an opportunity to come back to this.

Finally, a number of jobs at CN and VIA headquarters in Montreal have been transferred to Campbellton, which just happens to be in the Minister of Transport's riding. I am sure this is no accident. Several jobs have also been transferred from Montreal to Winnipeg. In addition, the riding is represented in this House by the Minister of Human Resources Development. I am sure this is also pure coincidence, unless the intention was to thank the minister for trying to sell us the social security reform. But then again, as you know, this is only speculation going round in the halls of the House of Commons and such rumour is entirely without foundation. The government is much too transparent to contemplate such things, is it not?

As you know, several applications to abandon rail lines are presently before the National Transportation Agency. Applications to the agency are almost automatically approved and, in most cases, without public hearings. Take the Murray Bay line

Supply

that runs through my beautiful riding of Beauport—Montmorency—Orléans, for instance. In that case, the constituency asked to be heard by the National Transportation Agency. Their request was also denied and the Murray Bay line was sold without the people most directly concerned having been heard.

(1025)

My colleagues will have the opportunity to come back to the issue of rail abandonment in their remarks. We know that railways are an economic development tool. Let me give you an example of economic development for the small municipality of Port-Daniel, in the Gaspé Peninsula, which borders on two ridings: Bonaventure—Îles-de-la-Madeleine and Gaspé. There is a chance that the municipality could land a contract with Arab countries interested in establishing a cement factory.

While 18 per cent of the population is unemployed in the Gaspé Peninsula and 39.4 per cent in Port-Daniel, here is a chance to create 400 new jobs. However, the municipality must meet two preconditions set by the Arab promoters: it must have a seaport and a railroad. What would happen if the railroad between Gaspé and Montreal were to disappear? Well, the cement factory project would fall through and the unemployment rate would remain high in the municipality. The 400 people who would have found work in the factory would remain on UI or welfare and the taxpayers would have to foot the bill. That is the kind of horror story caused by decision makers with no medium or long-term vision.

It is easy to make the case that a service is unprofitable based on figures alone. But before drawing hasty conclusions, we must be sure we have all the facts. Moreover, it is a well-established fact that when the times are hard, every job category, from the company president all the way down to the workers, must do its share. Mr. Speaker, do you think that CN employees are happy to have accepted cutbacks in their working conditions when they leaf through certain magazines and read things such as what I will now mention?

Canadian National allegedly gave its president, Paul Tellier, a \$432,000 no-interest loan to buy a house, of which \$300,000 came from CN Rail and \$132,000 from SRS or Supplemental Retirement Security. This loan was not guaranteed by a mortgage so that this deal would not be made public. In return, the president signed an interim note and increased his individual life insurance by \$300,000 payable to CN Rail to guarantee his loan. Worse yet, while a \$432,000 loan was allegedly made, the house, according to our information, was assessed at \$283,000.

This same president made Canadian National pay for the part of the retirement plan payable by him, which amounts to \$14,000 a year. Yet, CN pays its president, Paul Tellier, an annual salary of \$345,000 plus expenses. After pointing out these horrors, I would like to get back to other issues of capital

importance to Quebecers and Canadians, whenever decisions concerning railways have to be made.

My colleagues will have the opportunity to revisit the issue of the environment, of energy consumption by trains. They will have an opportunity to speak to you about high-speed trains, a project which would put Canada on the map of high-speed rail transportation in North America, a market estimated at \$200 billion. Nonetheless, the current Liberal government prefers to sink billions of dollars into projects like Hibernia, whose profitability is doubtful.

Mr. Speaker, my time is running out. My colleagues will have the opportunity to get back to the whole approach on short-line railways. The rationalization of railways must continue, but the government must allow these short-line railways to operate the secondary network. Canadians and Quebecers must also be informed of an issue of national interest, namely the cavalier attitude of the government, which excluded the Official Opposition and the third party from the commercialization review of the largest Crown corporation, CN. That is totally unacceptable.

It is inconceivable that the government would consider major decisions affecting railways without first consulting Canadians and allowing elected parliamentarians to participate in decision-making. We must condemn the government's carelessness and lack of vision in the area of rail transportation. All Quebecers and Canadians must be asked to boycott the task force on CN commercialization since it is composed of eight Liberal MPs and one Liberal senator and excludes members from the Bloc Québécois and the Reform Party.

(1030)

With this membership, the committee will have total control over calling the witnesses it wants and being told what it wants to hear.

[English]

Furthermore, all Quebecers and Canadians must be asked to boycott the task force on CN commercialization since it is composed of eight Liberal MPs and one Liberal senator and excludes members from the Bloc Québécois and Reform Party. With this composition the committee will have total control over calling the witnesses it wants and being told what it wants to hear.

[Translation]

In closing, I wish to inform the House of Commons that the government's current actions and policies regarding railways only gives ammunition to the Bloc Québécois and the Parti Québécois for the upcoming referendum. The more the federal government cuts services to the population, the more Quebecers will ask themselves what they are getting in return for the \$28 billion in taxes they pay Ottawa every year.

Supply

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, I will take this opportunity, but not to put federalism on trial, because after all Canada has contributed to Quebec's economic development. We have a specific example of that with Mr. Chrétien's visit to Asia. I will not get off the topic, except to say that I find it very strange to hear the opposition member say that this government is doing nothing for rail transportation.

I would like to ask him this question: Where was the present leader of the opposition when he was a minister in the Conservative government and on October 4, 1989, the Conservative government, with Lucien Bouchard as Minister of the Environment in the Mulroney Cabinet, announced cuts of 50 per cent in VIA Rail's services across the country?

I think that we should use today not to put federalism and federal transportation policy on trial but rather to call the Leader of the Opposition to account for what he did then. He was there and he cut the north shore Montreal—Trois-Rivières—Quebec City service, for example. Lucien Bouchard was also party to the decision to cut the Montreal—Ottawa—Sudbury—Winnipeg—Calgary—Vancouver service known as the Canadian. Lucien Bouchard was there when the night service from Montreal to Toronto was cut. Lucien Bouchard was there when the Winnipeg—Capreol service was cut.

The Speaker: I would prefer that the hon. member refer to him as the Leader of the Opposition or the member for Lac-Saint-Jean, if possible, instead of by name.

Mr. Gagnon: Yes. Excuse me, Mr. Speaker. You are right.

I just wanted to show that the last government is the one that cut services across Canada. It cut the service in my region of Gaspé from seven days a week to three. However, we are the ones who decided to restore rail service, but I ask the opposition to admit that their leader was party to a major decision to slash VIA Rail's services throughout Canada. I think that the Leader of the Opposition should be good enough to appear before us here to explain his actions to members of this House, Canadians and Quebecers. He should say, "I cut VIA Rail's services because I no longer believed in it."

I ask his opposition critic to tell me why Mr. Bouchard—excuse me, the Leader of the Opposition; I apologize, Mr. Speaker—who claims to be the great defender of Quebecers cut so many services, up to 50 per cent, throughout Canada in 1989.

Mr. Guimond: Mr. Speaker, we are used to hearing such comments from the hon. member for Bonaventure—Îles-de-la-Madeleine. He should know however that no one, no minister, no hon. member sitting on the front benches will ever do what the Leader of the Opposition did in May 1990. This man, who

now leads the Opposition, resigned. You, Mr. Minister of Transport, even less than anybody else—

(1035)

Mr. Young: Oh yes, go ahead.

The Speaker: Dear colleagues, I would ask you once again to address your remarks to the Chair.

Mr. Young: He also resigned when he was an ambassador.

Mr. Guimond: Mr. Speaker, could you please inform the Liberal members and ministers that the Leader of the Opposition left the Conservative Party to stick to his principles, and he acted in a manner no one, certainly not the hon. member for Bonaventure—Îles-de-la-Madeleine, no minister in this Parliament will ever act. He acted on his principles and, because of that, he is beyond reproach.

A moment ago, the hon. member for Bonaventure—Îles-de-la-Madeleine was asking where the Leader of the Opposition was, but, Mr. Speaker, allow me to ask this of the hon. member for Bonaventure—Îles-de-la-Madeleine. Where were you last April during the public hearings organized in Gaspé by Cynthia Paterson of Rural Dignity of Gaspésie? Where were you during these hearings when 50 briefs were received from the people of Gaspé? Where were you?

The Speaker: Once again, I remind hon. members that they must always address their remarks to the Chair. I am always here. I will be with you all day.

Mr. Gagnon: Mr. Speaker, I was certainly not in Paris. I point out to the hon. member that, in 1989, the current Leader of the Opposition was then a minister in the previous government and he made his decisions known. I too was not a member of Parliament back then. I was elected in 1993. I think I can say that voters in my riding of Bonaventure—Îles-de-la-Madeleine, in the Gaspe Peninsula, are unanimous to say that their MP is the number one promoter of the region's development and interests, and that includes CN and VIA Rail. Indeed, we are the ones who reinstated the service and made savings, and we are also the ones who will guarantee the provision of that service. Separating Quebec from the rest of Canada will not guarantee CN's future, nor an adequate service for the regions.

When the opposition talks about the future and, for example, the high speed train, it never says anything about remote regions. What about those regions? I am not the one who has to take the criticism because I am not the minister. I am just a private member. However, I certainly hope that I represent my constituents with dignity and I want some answers. Quebecers want to know why Mr. Bouchard was involved in the decision to cut 50 per cent of the rail service in Quebec. We want answers.

Supply

Instead of criticizing the member for Bonaventure—Îles-de-la-Madeleine, you should ask that question to your leader.

Mr. Guimond: Mr. Speaker, I was not referring to events which occurred in 1989, before the member for Bonaventure—Îles-de-la-Madeleine became an MP. I want to know where the member was when, in April 1994, we heard 50 submissions from Gaspé residents, from the local community service centres, from the Regroupement des Caisses populaires and from various other stakeholders. This is called the boomerang effect. Remember the old saying: People in glass houses should not throw stones. This is all I had to say.

Mr. Gagnon: Mr. Speaker, I made VIA Rail and the need to maintain this service the focus of my election campaign. I urge the opposition to carefully look over what was said during that campaign. I can assure you that I consulted the workers and all the people in my community well before the Bloc Québécois came up with the idea that it should hold an information session in the Gaspé area. If you read the letters sent to the Minister of Transport and the local newspapers' reports about the involvement of the member for Bonaventure—Îles-de-la-Madeleine and the attention he pays to this issue, you will see that I was several months ahead of the opposition.

(1040)

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, first of all, I want to point out a common error made by partisan members who get carried away by their enthusiasm. With all due respect for the hon. member for Restigouche—Chaleur, I want to tell the hon. member for Beauport—Montmorency—Orléans that the city of Campbellton, in New Brunswick, is not in my riding. I know that, as soon as he can, he will rise in this House and apologize for his allegations concerning employees being transferred in Campbellton, New Brunswick.

The member probably does not know the difference and has not checked the facts, because he would know that Campbellton, which is in the riding of Restigouche—Chaleur, is a CN centre where some 1,000 employees used to work. The Minister of Transport represents the constituents of Acadie—Bathurst. I am convinced the hon. member will do what is expected of him in this House and rise and apologize.

Sometimes, when a member makes a speech on a very emotional issue, like the future of the rail system, VIA Rail, and so on, he or she can mislead the House, albeit inadvertently. The member is not doing so out of spite, but simply because of a lack of knowledge. This is why I am pretty sure the hon. member will recognize that his statements about the CN transferring jobs to my riding are totally untrue.

Naturally, when there is a debate and the transport critic for the Opposition gets involved, it is very difficult. Often times, either he does not remember the facts or he has not done his

homework adequately, which makes things very difficult for us because we have to discuss the facts once in a while.

Today's motion refers to a lack of transparency. As you know, Mr. Speaker, ten days ago, I was in Winnipeg where we talked of transparency, integrity and clearness and, concerning the vast debate surrounding the referendum to be held in Quebec, we wondered, for example, if the Bloc Québécois is representing the independence or separation option, and again an hon. member of the Bloc Québécois who was there tried to ram the sovereignty issue down our throat.

In speaking of transparency, integrity and honesty, one has to refer to the facts, use the proper words and make statements that one is ready to stand up for. One cannot rise in this House and use a debate like this one to make up all kinds of stories based on nothing at all.

That is why I thought we could hold a debate on the national vision of Canada which is supported by the Bloc Québécois concerning the rail system, be it for CN, CP or VIA Rail. It would have been interesting to hear our friend, the critic for the Bloc Québécois, explain what kind of integrated system across Canada, what kind of national system for all Canadians from sea to sea to sea they contemplate for this country. It would have been very interesting for Quebecers and Canadians to have an opportunity to see exactly what kind of system these people want for Canada, not only in the context of today's debate, but five, ten or 15 years down the road.

[English]

One of the tragic things about this kind of debate is that for all kinds of reasons having nothing to do with an efficient and an effective transportation system, the hon. member and members of the opposition, the Bloc Québécois, enter into a debate on national institutions, on the national transportation system as it relates to rail, but with one objective. That objective is to sow as much discord as they can and to misrepresent what is actually taking place for example in the restructuring of CN.

(1045)

As I have said, it is abhorrent that a member would come to the House in a debate that they put forward in terms of their motion, make an allegation and not correct it when I gave him the opportunity to do so as he was sitting in his place. The hon. member did not avail himself of the opportunity to stand and apologize for having misled the House by suggesting that CN had moved employees to Campbellton, New Brunswick, which he alleged was in my riding. That is absolutely false. This is not something that slipped out. It was a prepared debate; he was speaking from a prepared text.

The kinds of things we face day in and day out in the House are misrepresentation, distortion of fact, inappropriate behaviour and then not even the capacity to do the honourable thing and stand in one's place to withdraw.

With respect to what we are doing in the railroad industry, let me point out to my hon. friend, the transport critic for the Bloc Québécois, that since the government came to power on November 4, 1993 there has not been a single request from VIA Rail to abandon any service in Canada, with the sole exception of the VIA service between Montreal and Saint John. It did not announce its decision to change that service because it wanted to. It had to because of the abandonment of that service by CP that owns the railbed and must maintain it in a condition satisfactory for passenger service.

To listen to the opposition one would believe that all across the country we are faced with serious service cuts to VIA. The fact is, and I know it is difficult for the opposition to deal with facts when they do not suit its particular needs, that not a single service abandonment anywhere in the country has been requested by VIA. The only one that took place was because of reasons beyond its control.

Canadian Pacific and Canadian National entered into merger talks that took place from the end of 1993 until the summer of 1994. There were serious discussions with a focus on merging the operations of CN and CP east of Winnipeg. In the early summer the responsible people at both companies advised us that the merger talks had not produced any definitive, positive results.

Within days Canadian Pacific tendered an unsolicited bid to purchase the assets of CN east of Winnipeg. The government is analysing that business proposal and looking at it from a policy point of view. Canadian National and its board of directors have a fiduciary responsibility to analyse the offer and make recommendations to the government. We have said that we will respond in due course.

Did we hear anything today from the spokesperson for the opposition with respect to party's position on the unsolicited bid from CP? Have we heard anything about the merger in terms of whether they are for it or against it? What are the other alternatives? What kind of policies do they have except to say it is another example that the separation of Quebec is a better option than staying as a member of the federation.

We have appointed a committee to look at the commercialization of CN. We felt it was appropriate, given the fact that there is an unsolicited bid from CP to purchase CN east of Winnipeg. That would result in the privatization of all rail operations east of Winnipeg to the Atlantic coast. It would also have the result of eliminating for all intents and purposes competition on rail in eastern Canada east of Winnipeg. We could not allow that to happen.

Supply

What did we do? We checked with the transport committee. We asked what its fall schedule was. It indicated it was going to be dealing with other issues. As a result we asked members of the government to sit on a special task force to look at the potential for commercializing CN operations across Canada, hopefully with employee participation.

We asked the member for Kenora—Rainy River to chair the task force. He was an employee of Canadian Pacific before he became a member of the House, a man who worked as a railroad man, a train conductor, and as a leading representative of unions that dealt with railroads in western Canada. We asked people from across the country who exhibited an interest in rail activities to sit on the panel. They are going to hold extensive meetings across the country. We hope people will come forward. Members of Parliament on both sides of the House have expressed some support, some concerns and some opinions. We want to hear what the Bloc Québécois thinks about the commercialization of CN. Does it believe the employees at CN would have a better chance of protecting their jobs if some of them were owners of shares in a commercialized CN operation across the country?

(1050)

We want to know what the options are if the CP bid is accepted. What does it do to competition? What does it do to service in eastern Canada? What becomes of CN west? What happens with commercialization of CN across the country with or without employee participation? What are the benefits? What are the downsides?

What happens if we maintain the status quo on an ad hoc basis and keep finding applications before the NTA for rail line abandonment in provinces like Ontario, Saskatchewan and British Columbia where it is very difficult to get to short line operations? What is the position of the Bloc Québécois on short line operations? We know it wants to maintain railroads across the country. It does not want to maintain the country but it wants to maintain railroads across the country. It is a typical position. As we say in French, ils ne savent pas sur quel pied danser.

It will be interesting at some point to hear concrete suggestions rather than hearing: "We want to maintain everything we have in rail but destroy the country". Let us see what we can find out from the Bloc Québécois about what it really thinks would be important in terms of the future of rail in the country.

The government believes the time has come. Canadians in Quebec, in Ontario, in British Columbia, on the prairies and in Atlantic Canada want decisions to be made that provide some degree of certainty and certainly provide for an alleviation of the burden on the Canadian taxpayer.

*Supply**[Translation]*

That is why we constantly ask Canadians interested in the issue to express their opinion. We have begun consultations all across the country. There are people in Transport Canada with a mandate to consult people and interested parties in all parts of Canada in order to find out their concerns and especially what solutions they have to suggest and what they can propose to protect a railway system which meets the needs of its users.

It is always the same story with the Bloc Québécois. They want to keep the whole rail system in this country intact, be it CN or CP, they want to maintain all the services provided by VIA, but they want to destroy the country, they want to separate. They want to maintain all rail services, but they want to cut Quebec off from the system that runs east, west and North.

At some point, we can ask people to react and give us their opinion, but in the end, the opposition must act responsibly and put forward concrete proposals and tell us exactly how it sees the future. Let us not dream about other countries like France or Germany where a system works more or less well. Let us talk about Canada. We want to know what solutions the Bloc proposes to the railway problems that have existed for a very long time. These problems did not start twelve or fourteen months ago.

The status quo is unacceptable because it led to the complete elimination of rail service in Newfoundland and Prince Edward Island. As of January 1, 1995, Canadian Pacific will cease all its activities east of Sherbrooke. That is a direct result of the status quo and, in this debate, it is a non-solution because we have to live with the proposed changes every day. For our part, we want to assure Canadians that we will propose changes which we hope will reflect Canadian reality.

[English]

In that context I would ask members of the House on all sides, with all points of view, not to continue to recite the litany of woes and ills that we faced in the railroad industry over the last couple of decades but to address in a serious way what kinds of solutions we should be considering. What alternatives are out there in the Canadian Pacific situation for shareholders, shippers and employees; in Canadian National for the shareholder, which is the Canadian taxpayer, shippers and employees; and in VIA where subsidy levels have been reduced but are still very tangible?

(1055)

I look forward as the debate continues through the day to hearing concrete solutions, real suggestions that can be taken into account in a pragmatic way by members on all sides of the House. If we are to achieve in rail the kind of stability we need to underpin a rebuilding economy, we will need the co-operation of the management of the railroads, the people who work on the

railroads and the people who ship and use the services provided by railroads. We will also have to convince Canadians we are doing the right thing.

Coming to the House, misrepresenting what has been said or what has been done and making allegations that are known to be incorrect does not make much of a contribution to the debate I think Canadians believe should be taking place with respect to the future of rail in Canada.

In closing I commend members of the task force who have taken on the very difficult chore of going across the country, listening to people in every part of Canada who have a real interest in the future of rail, and asking them specifically what they think about the commercialization of Canadian National.

What do they think about moving this company into the private sector with employee participation, if at all possible? What do they believe is important for the future of rail in Canada? Is it a service from Halifax to Vancouver? Is it a national railroad that provides a core service? Are they convinced it is an alternative that should be looked at? Do they believe the Government of Canada, in assessing the unsolicited bid from CP, should not only be dealing with it on the basis of accepting or rejecting but on the basis of the status quo which I think all of us in the House agree is unacceptable? Or, are there other solutions beyond the CP bid and beyond the commercialization of CN?

Members of the House of Commons representing the government will be going across the country. We have asked them to bring that report forward as soon as they can. People will know that when the CP bid was presented it had a time frame calling for the government to respond in 90 days. We have said we do not feel bound by that restriction, but the government and Canadian National are actively pursuing a business case analysis of the proposal.

The government has a duty to look at it from a policy point of view because of the implications of accepting the bid. I hope the Nault task force, with members of Parliament who have a very keen interest in the matter, will be able to get the views of Canadians in every part of the country. Decisions will have to be made very soon to deal with the real problems that have dragged on and on through the last five, ten, fifteen and twenty years.

I look forward to hearing from the Reform Party and from other members of the Bloc Québécois. I am sure they will do far better than the transport critic who obviously had a difficult time in getting his facts straight as he began the debate. As the day progresses I am sure we will be hearing some constructive suggestions from members of the official opposition, from the Reform Party and from other members on both sides of the House. Everyone in Canada knows how important a strong national railroad system is to the economy and to the future of the country.

Supply

[Translation]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I would like you to inform the Minister of Transport that, according to our traditions, the remarks I made do not require an apology. However, since I consider myself an honest person, I would like you to tell the minister that my office is currently doing some research to determine if indeed the city of Campbellton is located in the riding of Restigouche—Chaleur, as the minister said. If so, you may tell the Minister of Transport that I will make the necessary corrections today at the appropriate time. But I do not think that I need to apologize. In any event, with the kind of remarks he makes on a regular basis, the Minister of Transport himself is the one who has had many opportunities to apologize in this House.

(1100)

Mr. Speaker, the Minister of Transport, who assures us that he is transparent, has admitted the fact that the commercialization task force chaired by the hon. member for Kenora—Rainy River is made up of Liberals only. He mentioned the busy schedule of the transport committee. I would like to inform the Minister of Transport that around February 18, 1994, when the transport committee was set up, I, as official opposition critic representing the Bloc Québécois, asked that rail transportation be examined as a priority.

At that time, I made reference to the Liberal task force report on VIA Rail cuts made in 1989, a report that was signed by the Minister of Transport himself. I said that before going any further in the abandonment of rail lines, we should consult the users and the regions. That is why I asked that rail transportation be put on the committee's agenda on February 18. The Liberal majority on the transport committee said that such a study could jeopardize the CN-CP merger project that was being considered at the time. The Liberals asked that the study be postponed. The report was to be presented at the end of June.

We adjourned in June. Mr. Speaker, I would like you to inform the Minister of Transport that on September 19, when the session resumed, I asked again if we were going to examine rail transportation as a priority since the merger project was at a standstill. I was told that airports were higher on the priority list and that such a study could hinder the negotiation process.

I argued in committee that we could agree not to hear any representative of the employees or the management of the companies concerned, but that we could hear regional representatives who would come and explain to us the importance of rail transportation to the economic development of a region. Once again, my proposal was defeated by the Liberal majority on the committee.

On September 29, the minister announced the establishment of a Liberal partisan task force to study the issue. If the minister is transparent, why did he not include a representative of the

official opposition and a representative of the third party on this task force?

Mr. Young: Mr. Speaker, there is a well-established tradition in this House that when committees are organized, the majority has its say. That is a long-standing tradition.

As to working groups mandated to do certain things by political parties, they are a fairly common occurrence. There have been many examples in the past. When either the government or the opposition wants to study any given matter, they ask for advice on a politically-oriented base. Some members of the committee like the hon. member for Kenora—Rainy River, who chairs the committee, are undoubtedly on the government's side. They have been assigned a certain job, so they are in a position to give useful and important advice to the government, which has to make a decision on the CP proposal, but also has to prepare other alternatives.

Several means are available to members of Parliament, for instance as members of House committees. If, as the hon. member just said, the transport committee was not able to examine this issue or if a majority had determined for any reason that the committee did not want or did not have time to do so, we had no choice but to proceed because we had to respond to the CP proposal.

I do not know whether the Bloc Québécois or the Reform Party would have been willing to be part of a committee set up with a mandate from the transport minister, but it is not a kind of precedent I am ready to create because the House has its own mechanisms for examining issues that are deemed important. But political parties in this House also have the right to ask their colleagues to look into different matters in order to give advice that they consider relevant.

There is no duplicity in all of this. It is one way of doing things, and it has been around for a long time. I hope we will see in this exercise that Mr. Nault has already created an opportunity for all those concerned, members of Parliament included, to have an input.

(1105)

One thing is clear. Opposition members have a golden opportunity today to express their views on the CP proposal, on the potential commercialization of CN, and on the status quo. They would be well-advised to use it to tell us what they think instead of reciting problems we have all been aware of for a long time and which we are attempting to solve.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, as promised, I was given, while the minister was answering, the electoral map for New Brunswick. Since the minister was right, I promise never to mention again that the city of Campbellton is located in the riding of Acadie—Bathurst. It is located in the riding of Restigouche—Chaleur,

Supply

which is represented by one of the members of the partisan committee.

I do not consider it as an excuse; it is as if I asked the minister whether the town of St-Tite-des-Caps is located in my riding or in the riding of Charlevoix. In any case, it is in the riding next to the minister's, in the area he comes from, and that does not change anything to what I said a moment ago.

I want to tell the minister that the whole question of this party's position on short-line railways and on the unsolicited CP buyout proposal will be discussed today by the other speakers. You will understand that, in 20 minutes, I could not possibly deal with all these topics, but I shall do so in due course.

We have heard about the comments he made in early October in Winnipeg when he referred to "railway workers with a grade 8 or 9 education" and so on, and his answer to me on this subject in this House, an answer that might turn out slightly different from reality. If it is true that he made these remarks in the context he referred to in his answer to me, I would like the minister to explain why people left the room and why WESTAC had to apologize for comments that were insulting to the 62,000 railway workers in Canada.

Mr. Young: Mr. Speaker, I do not know what the member is suggesting when he talks about WESTAC having to make an apology, but I can explain what happened at this meeting in Winnipeg which was attended by 150 persons. As far as I know, three of them stood up and left because they had interpreted what I said as being unacceptable.

Before the meeting, people formed a picket line in front of the hotel to protest against the appointment of Mr. Nault as chairman of the task force responsible for reviewing the commercialization of CN. These people protested because they found it unacceptable that Mr. Nault had previously worked for CP. That was the kind of atmosphere prevailing, and I want to read an extract of the speech I made in Winnipeg before the members of WESTAC because it is perhaps the best way to clarify the situation. My words were as follows:

[*English*]

Some of the problems obviously were created by governments through excessive regulation and taxation but also by railway management, top heavy structures and by labour which are involved in agreements that contribute to low productivity and complicated archaic work rules.

What I want to say today about the labour situation in the railways is that I have never blamed people with grade eight and nine educations who worked for railways over the last 40 to 50 years who were able to negotiate these kinds of agreements with people who were paid a lot of money to manage our railway.

I am not going to point a gun at the heads of the people who got the very best deal they could at a time when they were in a position to do that. I expressed in this House my dismay that anyone would ever misinterpret those remarks as not being a total compliment to people who worked hard under difficult circumstances to protect their rights and the rights of their brothers in the railroad labour movement.

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, the motion dealing with rail in Canada has three parts, one being inaction on the part of the government, one being a lack of transparency and one being no vision on high speed rail.

(1110)

I am not going to offer a lot of solutions as the minister has suggested we do because we are going to deal with the specific points raised by the Bloc in its motion. I am however going to put out several challenges to the minister which I hope he will respond to under questions or comments. If he does not I have to accept that he probably reluctantly agrees with the points I make.

Dealing first with the question of inaction, in some way I support the concept the Bloc is suggesting, that there is inaction on the part of the government. I have to ask why it is surprised at this. The reality is inaction is prevalent throughout all of the departments in the government.

With regard to transport, first we have to look at such things as the Pearson contract and the legislation cancelling it. We asked the minister for a public hearing. We did not say that it was a good deal or a bad deal but simply how can you condemn something that has never been given its proper hearing.

First he refuses to do it and then we get word through the media the minister said that he is strongly considering having a public hearing. Then we have yet another minister, the Deputy Prime Minister, saying there will be no hearing. Lo, there was no hearing.

That was a case where there was a series of actions which produced an inaction and questions of who is really running the transport department.

Then we get into things like the Churchill port and the minutes from Ports Canada that said it is closing down Churchill. That magically disappeared out of the minutes of the meeting that decided that.

It was raised in the House. Was the minister responsible or was it the head of Ports Canada, who was of course a Liberal patronage appointment? The reality is that it was not the minister. It was yet another minister who sits nearby who has more of a concern about this because of his home province and he caused a magic marker to appear over top of those minutes. Again I have to wonder who is running the transport department

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and is that some of the reason why we have no real action in that department.

Then we have human resources. Again this is a new concept that the Liberals are raising to a mastery where they produce a series of actions which results in no action at all. In the case of human resources, right at the beginning of the year they raised the unemployment insurance rates. Then through another mastery they reduced their own raise, thus cancelling their own action to say look at the wonderful saving they have made for people. I suggested if they raised the amount 10 times as high and then reduced it, they could have had even greater saving. Obviously the bottom line is no action at all.

Then we have the justice department. The justice department talks of reforms to the criminal justice system but there is nothing forthcoming. There are no concrete proposals. The problems still continue on.

We have the Ministry of Health. The Ministry of Health has not only taken no action but has penalized provinces for trying to implement these actions. It has penalized my own province of British Columbia for one for trying to implement some cost cutting changes that would make the health system healthier and more effective in that province. Instead it gets the transfer payments reduced because it did not march to the beat of the Liberal government.

Then we have the immigration department and the so-called consultations that are going on. I say so-called because people are demanding action and they are making very clear what kind of action they are looking for. They are going out and selling a preconceived government agenda.

Then we have the minister of fisheries, the fisheries department. Again, here is where we are having another study whose only purpose is to provide a scapegoat for the inaction on the part of the Minister of Fisheries and Oceans, soon to be the minister of oceans because the fisheries will be destroyed.

We have the finance department with no workable plan, no indication that the goals it has set are obtainable, goals that are too low even if it should somehow magically manage to attain them with its current plan of so-called action.

This is the general level of action of a government that loves to preface many of its statements by calling them action plans. It takes more than hollow words to create real action.

(1115)

What action has the government taken on rail line abandonment? What changes have taken place? There has been no action whatsoever to resolve the overtrackage problem in the east.

Interestingly enough when CN and CP were talking about rationalization and merging the two rail lines to form the company referred to as Newco, the minister seemed to think that was a wonderful idea. However now that one company wishes to buy out the other that is not a good idea even though it would produce the same general result. In fact it would produce better results because there would still be a vestige of competition under this new proposal.

There is no action to deal with rail line inequitable taxation problems. That is certainly a very large problem and a very large component of the rail industry's problems.

There is no action to deal with the provincial problems concerning such things as labour legislation and property taxation. Not only are they harming the rail lines as they exist right now but they are also among the large impediments in the way of attracting private short line operators to take over these abandoned lines when the big rail companies can no longer make money running them.

There is also no action to deal with harmonizing capital depreciation rules so that they can compete effectively with their American competitors.

The next thing I would like to look at is the lack of transparency on the part of the government with regard to the rail industry. Once again this is something that is prevalent throughout all of the departments.

Of course we have in transport such things as the Pearson contract. When Bill C-22 was brought in we tried to introduce an aspect of transparency. Had the government agreed to do that we would have supported that bill. All we wanted was the claims and the resultant payments going out to flow through the all-party transport committee. In that way the claims and the resulting payments would be known and transparent and there could be no under the table deals. It was refused as an amendment at the committee stage and was refused as an amendment at third reading.

Then there was the wonderful deal that was cut behind closed doors by the Minister of Transport with Air Canada dealing with the route to Osaka. The minister rose in this House and denied directly to me that there was any private backroom deal. He continued to deny that for two days after which he admitted that in fact he had cut a deal with Air Canada. Transparency? Not a chance.

In the human resources department again patronage appointments are absolutely rampant, even in my little rural riding in southeastern British Columbia. There was a one year delay in getting anyone to sit as chairman of the board of referees because the government attempted to put in someone totally unqualified by way of a patronage appointment. When that was exposed the government sat on the real appointment for over a

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year. It was a tremendous hardship for people in my riding having problems with UIC. It is another example of lack of transparency on the part of the government.

The health department is currently undergoing a \$12 million study. This is not to learn but rather to sell preconceived government notions and agenda. This is not transparent and it is not acceptable.

The immigration department has its own hidden agenda in its review board. On the Vancouver immigration and refugee review board a member who was appointed by the previous government has had a 38 per cent acceptance rate of those who appealed through him. In the last four years there have been only three appeals to his decisions, two of which were heard. Only one was overturned and that was because of a mistake made in the translation of the information supplied to him from the appellant. It changed the meaning of what he was told. That one single case was reversed, no others.

Now the minister has implemented a priority goal of a 75 per cent acceptance rate. Why is there a goal? There should only be acceptance of those who are proper and true immigrants to this country. If that is 10 per cent, it is 10 per cent. If it is 90 per cent, it is 90 per cent. How can there possibly be a goal if there is not some hidden agenda? The other side of it again brings into question the transparency of what the government is doing.

(1120)

It is the very fact in this case that if one of the two people viewing these appeals accepts the application, it is accepted. If it is accepted no report has to be written, but if it is rejected a lengthy report has to be written. It places a tremendous emphasis on accepting, whether or not it is for the good of Canada.

The fisheries department transparency. It is studying a serious, perhaps catastrophic problem of the salmon fisheries on the west coast in house instead of holding a public inquiry. The problem was created in house by the minister. How can he study himself and come up with an objective answer?

In the finance department again we are looking for transparency. There is an absolute refusal to make a commitment on the question of a carbon tax or taxation of RRSPs.

Justice department is an interesting case where there is the opposite of transparency. There is excruciating transparency when dealing with such things as the proposed firearms legislation. The minister has publicly stated he will not make legislation based on head count, but he will in fact do what is good for the people, which can be translated into: "I do not care what the people want, I know better than they do".

Now we deal with transport and the transparency there. Well, the CN task force has already been mentioned. Do we have a problem with that? Is that a transparent, viable thing? Of course it is not. There is absolutely no reason that the questions being

raised by the CN task force could not have flown through the transport committee, have had a vestige of all-party input and then it would have had some credibility. It certainly would have had some transparency.

We know that on a recent task force struck under transport dealing with the seaway there was a dissenting report. It could not do to have somebody offering a different opinion. Even though my party did not happen to agree with that dissenting opinion it was nonetheless the right of the people in this House to make it. This is what an all Liberal CN task force manages to block.

When looking at what is happening with CN and the offer from CP there are three scenarios that could come up, but I believe the report they are to make is already written.

First, they could come back and say the CP offer is good. That releases the minister from responsibility. He can now claim that his people went out across the country and they got this endorsed and so away they go. It comes back to what we talked about previously on other bills where the government consults and that is supposed to mean the solution it comes up with is okay. The very fact that there is consultation does not mean there was anything whatsoever in the final report that had anything to do with what people said during the consultation. It does no good to have consultations if you do not listen to what people say.

The second scenario is that they could come back to CP and say: "We like the idea of you offering to buy out a portion of CN except we want you to increase the offer and buy out the whole thing". That is unacceptable because it will remove the vestige of competition that still remains under the current CP offer.

The final thing they could do is come back and say: "No, we do not want to sell part of it. We want to privatize the entire thing and sell it as a total unit". That also is unacceptable because it does absolutely nothing to deal with the problem of overtrack-age in eastern Canada.

I suppose in one respect there is a fourth option which is to do absolutely nothing at all. This seems to be a very popular option on the part of the Liberals, but I would hope that at least they realize it is not a workable solution in this case.

We could go on just on the vestige of the CP rail offer alone, but I would say one thing to this House. I believe the concept of the CP rail offer to CN is a good one. I remind the minister it is not considerably different from the concept that he has already endorsed which is that of the two companies merging together, only in that case there would be an absolute loss of competition. In the case of this offer there is not.

I would like to touch on VIA Rail because that was mentioned in the hon. member's motion. VIA Rail in a word should be privatized. An example of an operation that was run by VIA Rail in British Columbia and into Alberta is the Rocky Mountain Rail Tours. VIA ran this with huge subsidies for a number of years and still managed to lose money.

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(1125)

Rocky Mountaineer Railtours was sold to the Great Canadian Railtour Company which ran it in virtually the same context as it was being run by VIA, but of course with the aspect of private enterprise introduced to it. It must get a return on the investment made to VIA. Great Canadian Railtour has fought considerable roadblocks put up by the very company that sold it this line and has had to fight in court. In spite of all that it has made an unsubsidized profit.

Can the private sector do better than crown corporations? You bet it can. We believe the only subsidies that should take place for rail transportation in terms of passenger transportation are for remote operations only and only then when there is a demonstrated need.

It is all well and good to be nostalgic and remember back to the days when the rail linked and tied this country together. We have to recognize that for all the improvements in technology the locomotives may pull more weight than they pulled in the old days, they may pull it a bit faster and certainly they may be safer, but the general concept of moving people by rail has not changed dramatically in terms of the years that have gone by.

If we think back to when rail transportation was originally introduced alternative methods were not available. Rail started before there was any widespread concept of any alternative transportation except by horse. There were no aeroplanes, there were no buses, there were no passenger cars. As technology has moved in other areas the genuine need for rail transportation has to be modified.

Many of the areas can be handled by private enterprise, making a profit without government subsidies where there are sufficient passengers to move. That will also resolve traffic problems. In remote areas where there are alternatives they are probably going to have to look at those alternatives. If there are no alternatives that is the only situation in which we should be looking at government subsidies.

Finally I would like to touch on high speed rail. This has been brought up before. The answer now is exactly the same as it was then. A \$7 billion or \$8 billion high speed rail system is not in our foreseeable future, not if half of the money is going to come from empty federal tax coffers. We have no money for the things that are here now.

The other side of the House is talking about the need for cuts and we endorse that. We know there have to be cuts. Why at a time when we are talking about the need for cuts are we talking about spending \$7 billion or \$8 billion on a high speed rail system? It is not a national high speed rail system, it is only for one single corridor.

It has been suggested that half of that money must come out of the government tax coffers. If it is a profitable venture as the people proposing this would have us believe, why would they want the government, which has a history of losing money at everything it turns its hand to, as a partner? On the other hand if it is in fact a loser, why would the government associate itself with another tax drain?

There are solutions. The government will not find them if it does not start taking some action on the known solutions. It will not find them if it hides everything behind hidden agendas, if there is no transparency, if it does not openly and honestly involve others and then use solutions provided by these people instead of trying to use them to create a justification for its own agenda.

There will be many opportunities for the minister to hear our proposals. Unfortunately in the past whenever the government takes a Reform policy proposal, which we are happy to see it do, it only takes it piecemeal. It manages to mess it up so bad that we are almost reluctant to help the government, unless it lets us guide it all the way. I might add we are totally prepared to do that.

I leave it to the government. If it wishes to refute anything I have said, I would be happy to hear it. Failing that I would ask the government to become more transparent and start taking action to consult with those of us on this side of the House who do have solutions. There is no point in our throwing them out if the government intends not to use them.

Mr. Glen McKinnon (Brandon—Souris, Lib.): Mr. Speaker, I was late arriving this morning and I did not hear the hon. member's entire speech. I would like to compliment the member on his broad approach to many of our national problems.

(1130)

Does he not agree that there needs to be some time when any department needs to research issues without being transparent at the initial time of investigation? Surely in transportation, surely in justice, surely in agriculture some research requirements need to be addressed.

Mr. Gouk: Mr. Speaker, I would point out to the hon. member that we are not talking about the government's right to do its homework. In my opinion the CN task force is not homework. It is a study to determine whether the CP offer is good, whether there are alternatives, and what should be the policies as a result of it.

That is the kind of thing done by the Standing Committee on Transport and is why we have committees, so we can study various proposals. CP has made an offer to buy a section of a government business. It is something that government should not be doing of course, being in business.

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We have had a legitimate outside offer to buy a portion of a government service. If that is not justification for it to be studied in the committee concept, which is all-party, then I do not know when there ever will be a case.

[Translation]

Mr. Gagnon: Mr. Speaker, I find it deplorable to see only one member of the opposition when such an important question proposed by the opposition is before us. Frankly, this shows how unimportant the Bloc Québécois considers this urgent matter. I see a few of them coming in. All right. That is good. But there are only two of them, Mr. Speaker.

Mr. Duceppe: Mr. Speaker, the member should not mention the absence of members; otherwise, we would spend our time deploring the absence of ministers across the way. My young friend probably does not know the Standing Orders.

The Acting Speaker (Mr. Kilger): I think that members on both sides of the House are rather familiar with the Standing Orders. But some distinctions are still hard to make. I accept the point of order raised by the hon. opposition whip provided he does not mention a member in particular. I thank him for his remarks and I would ask the parliamentary secretary to please continue.

Mr. Gagnon: Mr. Speaker, this is a really important debate, but members who contributed to these decisions a few years ago, in 1989, including the Minister of the Environment of the day who is now Leader of the Opposition, are not here to address the House.

The Acting Speaker (Mr. Kilger): Order, please. We must understand, particularly as it concerns the demands on members of this House, that members as well as ministers and parliamentary secretaries have many duties to perform and that their availability is limited by the many committees and meetings they have to attend.

But I still think that the parliamentary secretary knows the Standing Orders very well and that he has become proficient since he first arrived here on the hill. So I would ask him to respect the Standing Orders and refrain from mentioning the presence or absence of any member on either side of the House.

Mr. Duceppe: Mr. Speaker, I would ask the hon. member to withdraw his comment. Otherwise, all we have to do is, as he did, to apologize afterwards without in fact withdrawing our remarks.

Therefore, I would ask him to withdraw his comment concerning the absence of an hon. member. He should withdraw that remark or apologize, since otherwise members on this side of the House will take it that they can do the same for the rest of the day with respect to ministers who might be absent.

The Acting Speaker (Mr. Kilger): I am not in a position to ask any member to withdraw a comment which has not really been made in the usual context of non-parliamentary language or which could have an impact on a member's integrity or honesty.

(1135)

This is not a point of order, but I nonetheless appreciate the representation made by the whip of the official opposition in this matter. I hope all hon. members on both sides of this House will show a greater understanding of our rules.

Mr. Gagnon: Mr. Speaker, I would still like to thank the opposition for proposing to participate in a debate on that subject. It gives us the opportunity to clarify some points and allegations made by opposition members.

First, I feel we should look at the fundamentals of this debate. Canada's railroad industry is facing many pressing questions and is undoubtedly at the crossroads as far as its future is concerned.

We must recognize that Canadian taxpayers will pay more than \$1.6 billion in direct grants to support the transportation network this year. Of this total, \$331 million will take the form of direct grants to railroad passengers service. We feel, and everyone agrees, that the role and the structure of Crown corporations like VIA Rail should be reviewed from time to time. We must remain practical and concentrate on feasible solutions because VIA Rail passengers should have access to a multimodal, secure, reliable and, of course, affordable transportation network.

Before moving on to the future of VIA Rail, I believe it would be useful for me to give you a brief description of the background of the corporation and of its present situation. I mentioned earlier that in 1989, the leader of the opposition was part of a government which cut VIA Rail services by 50 per cent and eliminated nearly 2,500 jobs. Given that the minister who was part of such a government is now leader of the opposition, I think the onus really is upon the opposition to explain why VIA and CN were cut by 50 per cent in 1989. Why did they cut more than 2,500 jobs?

This is unfortunate. As a matter of fact, the workers, the families, Montrealers, good Quebecers and Canadians are the real victims of these cuts which were never justified by the opposition.

I am going to pursue this. Today, everybody wants to put the government of Canada on trial. But as everyone knows, we were not in power back then and I was not even a member of Parliament. Therefore, I would ask opposition members to jump at this opportunity to explain to Canadians and to hon. members of this House why they have moved for a debate on this subject matter.

Supply

We want answers. We are entitled to ask why we have as the Leader of the Opposition a member of the previous government which has substantially, we might say, changed the picture of VIA Rail and CN in Canada.

I would also like to point out to this House that there were several other opposition members who were part of the previous Conservative government and who, in my opinion, also had some responsibility in this matter. They are not here today to explain their actions. Nevertheless, they took part in the streamlining of CN and were accountable for this 50 per cent cutback. We must ask them questions.

There is nonetheless the Opposition House Leader who—

Mr. Duceppe: Mr. Speaker, I rise on a point of order. Obviously, the hon. member either fails to understand or wants to give the impression he does not understand what you said about what constitutes proper behaviour in this House. He is doing it again.

I think that aside from the civilized debate we should be having instead of this childish attitude taken by the hon. member for Bonaventure—Îles-de-la-Madeleine, I have no objection to his criticizing certain decisions that were made in the past, but—

The Acting Speaker (Mr. Kilger): The hon. member was interrupted on a point of order, which followed a previous point of order, but now it seems we are involved in a debate. Again, I would ask the parliamentary secretary who has the floor to please avoid any references to the presence or absence of a member during his speech.

(1140)

I would like to say to my colleague, the Official Opposition Whip, with all due respect, that this is not a point of order as such, and we will resume debate with the parliamentary secretary.

Mr. Gagnon: Mr. Speaker, it is not childish to defend the interests of one's constituents, to appeal to the common sense of the members of this House, and to state the facts. All this did not come out of the blue. I do not believe that the setbacks at CN and VIA Rail necessarily started when the new government came to power. I think we must consider what happened in the past, if we want to find a reasonable explanation for the current situation.

I may add that I was very upset back in 1989, when I wanted to take the train to go to the riding of Bonaventure—Îles-de-la-Madeleine and found that, instead of every day, the train only ran three days a week. I found this very upsetting as did many of my constituents, and my point is that VIA Rail services had been cut by the previous government. These cuts were not made by the Liberals but by the Conservatives. The point I want to make is that a number of opposition members were part of the government at the time. I was not and, believe me, I would have

objected strenuously to the ill-advised policy and position on the future of VIA Rail and CN which we saw in 1989.

There is a lot of talk about transparency. The opposition critic mentioned transparency. In fact, I commend the opposition for emphasizing the need for government transparency in this respect. However, when they talk about transparency, they should not refer exclusively to the present Minister of Transport, who was not a minister at the time. When they talk about transparency, they should consider all aspects of the situation. That is all I ask of the opposition.

I do support transparency, despite the criticism aimed at me personally and at my efforts concerning VIA Rail and CN services in the riding of Bonaventure—Îles-de-la-Madeleine, and I would like to know how many opposition members bothered to take the train during the past year. I wonder how many opposition and government members who have access to railway services in their communities and in their ridings have taken the train to come to Ottawa.

And if any of their members fit that category, I challenge the opposition to tell me how many times they took the train to travel between Ottawa and their respective ridings. Personally, I always try to take the train. Not to the Magdalen Islands, of course, where I have to fly if I want to get there within a reasonable time frame. But when I go to Bonaventure county, three evenings a week I can get directly to New Richmond, where I live. It takes thirteen hours by train from Montreal. I leave by train at two or three o'clock in the afternoon from Ottawa, arrive in Montreal at five, wait for two hours, and then take the train to Bonaventure county. However, on some evenings there is no service to the Gaspé. Sometimes I arrive in Campbellton, New Brunswick, at 4.30 a.m. This means that a member who takes his work seriously and who really wants to do his share has to be prepared to get off the train at 4.30 a.m.

If we want to keep our trains, we have to use them. Of course, as we all know, very few people travel by train. A lot more must be done in the way of marketing and advertising to convince the public and urge opposition members and all members of this House to show their support by taking the train as often as possible. Many members think it is much easier to fly between Montreal and Ottawa, when they travel back and forth between their ridings and their work here in the House. Nevertheless, I would like to reassure opposition members and particularly my constituents that their member of Parliament travels by train and is going to travel by train for a long time, believe me.

(1145)

We were just talking about transparency. Obviously, we have not heard any practical solution from the opposition as is the case most of the time, and the federal government is put on trial as always. Canada is always to be blamed. Generally speaking, they say that nothing is working in Quebec. Yet, we struck a committee and asked opposition members to submit concrete solutions. I have never heard the word "intermodal", for example. I have never heard new ideas to make VIA Rail, the CN

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or the transportation services in Canada profitable. All we hear, and it is unfortunate, is that the whole transportation policy in Canada is a complete failure. Yet, Canada was built on those links.

[English]

The ties that bind.

In 1867 when we first began as a small British colony we had that national dream. We had that national policy in which Canadians came together and said we would go toward the west, we would reach the shores of the Pacific and unite Canada as we know it today, despite the efforts and pressures to maintain and increase our ties with the Americans at the time. We were just coming out of a revolutionary war, I should add. There were visionaries in Canada at the time. These visionaries were sent out to set up that track to cross Canada, to make sure Canada would become the country it is today.

We all know what position Canada occupies. I do not have to remind members. I think the United Nations repeats year after year that Canada is the number one country.

Of course when it comes to rail policy it is not an easy one. Canada is a country that was forged. It was not a country born out of revolution and strife. It was a country forged by immigrants, minorities of all kinds who came to Canada to make a better life for themselves. Thank God it was the train that initially brought them here. Today we have air travel, all different modes of transportation across this great nation.

Maybe it is time because of the financial restraints we are now faced with to look into these services and make sure that Canadians are getting their money's worth. This is what we have been hearing from the opposition all this time.

However, we have to find new solutions. Of course we could look to Europe. We look at what is happening in France, Japan, Asia, Germany and Great Britain. The populations on the European continent are much more concentrated than they are in Canada. There are approximately 350 people per square kilometre in Belgium and there are only three in Canada. It is about 250 in France and still France can operate quite a service.

After all, if I am not mistaken, Canada is 18 times the size of Great Britain, it is more than six times the size of France. Canada is a huge country with a population of 30 million. The train service we are willing to offer in this country is not necessarily the one that is always on par with that of Europe or Japan when we think of the Shinkansen and the TGV in Europe. The Canadian context is quite different.

However, the opposition is probably right in saying that we have to look at the TGV. I have heard the Bloc say this a few times. However, I should also remind the hon. member that the whole TGV concept was first introduced by the federal Liberals. There was an initial committee that looked into the question. It said there is potential between Quebec and Windsor. From what I am told there is currently a study taking place.

[Translation]

Finally, a task force including the government of Quebec, the government of Ontario and, of course, the government of Canada is reviewing this issue.

(1150)

We are told that this is a comprehensive study, a study that will reassess the situation and the potential for putting in place a high-speed train between Quebec and Windsor. However, I see the opposition members, especially those from the Reform Party, asking: "Well, what does this mean for western Canada?"

[English]

What does this mean for western Canada? What does this mean for rural areas of the country? Should we allow all our moneys and all of our expenditures to go into the creation of a TGV between Quebec and Windsor? What happens to the have not areas of Canada, the maritimes, western Canada, the Gaspé Peninsula? I do not think the opposition Bloc members give a hoot about having a TGV going all the way to the Gaspé because it is not feasible.

However, we must make sure that whatever service is in place in Canada and despite the allegations of the opposition that nothing is being done, we have to provide certain essential services in this country. We have to service the rural areas of Canada. We have to service the heartland of the nation. I think this is the role that all parliamentarians are called to play.

[Translation]

Having said this, I am surprised to hear the opposition tell us that they want a high speed train which will serve Quebec, Ontario, Windsor, but unfortunately, these people are still proposing to us the end of the Canadian federation. They are proposing the dismantling of Canada, the separation of Quebec. How could we build a railway link between Quebec and Windsor with a border between Quebec and Ontario?

I hear the opposition laugh, but that is the hard and sad reality. We must learn to work together. We must build a railway system that will respond to the desires of Quebecers, of Ontarians and all other Canadians. And surely, as member for Bonaventure—Îles-de-la-Madeleine, I have an obligation and a duty to ensure

that service is maintained in my remote rural riding in the province of Quebec.

It is obvious that the opposition often speaks for the urban people, with very little consideration for the remote areas. I think that the opposition leader demonstrated that brilliantly in 1989, when he was among those in favour of the decision to cut 50 per cent of the railway service in Quebec and all across Canada. I think that we should not be afraid to tell these facts, and I believe that being in a free country, being a member of Parliament—after all, being a member of the House of Commons is a privilege—I am fully entitled, despite the slanders, the opposition, the allegations from the opposition that I am not fulfilling my role as a member of Parliament, to denounce what took place in 1989.

I believe it is important to take the opportunity to develop a Canadian vision and I believe that the dream we had in 1867 is still alive. I think that many people in the opposition have benefited from the freedom and privileges that were given to them as Canadians and one of those privileges, one of those links that unite the country is, of course, the Canadian railway service as we know it. However, we must get ready for the next century.

I will end my speech on that point because I wish to give the opposition the opportunity to ask questions, questions that would not be partisan in nature and would take into account first of all the genuine interests of Quebecers and Canadians, that is to maintain a service and to help us find solutions. Instead of talking of dividing and separating, and accusing federalists, instead of saying that Canada is a failure, I invite them to find common solutions with us. The official opposition must recognize that it does not represent the majority of Quebecers. They got 48 per cent of the votes and a majority of seats in the Quebec assembly but there are still 52 per cent of Quebecers who did not support the Bloc.

(1155)

One thing is sure, when they start participating in the debate, those people will have to state clearly that they may speak for a certain number of Quebecers but not for Quebec as a whole. I invite them to take part in the debate, to examine and propose constructive solutions for the future of VIA Rail and, of course, for the whole of Canada.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I am sure the member for Bonaventure—Îles-de-la-Madeleine appreciated the fact that he was not interrupted during his speech. For his part, he can always be heard yapping in the background when someone else has the floor in the House of Commons. It makes you lose your concentration, besides being impolite.

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Mr. Gagnon: On a point of order, Mr. Speaker. To say that a member is yapping and trying to interfere with the House proceedings is quite offensive. I am a democrat, a parliamentarian and, as the member for Bonaventure—Îles-de-la-Madeleine, I have the right to express my opinion.

The Acting Speaker (Mr. Kilger): Once again, with all due respect to members on both sides of the House, this is not a point of order. The member for Beauport—Montmorency—Orléans.

Mr. Guimond: Mr. Speaker, I made my point. The member invited us to put questions to him and to be constructive in this debate. I am going to ask him some serious questions and I will ask that he give me clear answers.

First, I would like the member to indicate why, in April 1994, he refused to take part in hearings on the future of the Chaleur, in the Gaspé Peninsula, in his own riding, which were organized by Mrs. Cynthia Paterson, a member of Rural Dignity of the Gaspé Peninsula? Could he indicate why he refused to hear some 50 individuals and groups from the Gaspé Peninsula, most of them from his own riding, present their briefs? Could he answer this question?

Mr. Gagnon: Mr. Speaker, we seem to be digressing, but I will gladly answer that. I met the workers and Mrs. Paterson in February, I believe that was a few months before the Bloc decided to organize a consultation of the people.

You know, I, too, could invite opposition members to work on sustainable developments in the Gaspé Peninsula or elsewhere. For example, I worked hard on the Eastern Plan. I really worked hard and I think I fulfilled my mandate as an elected representative. Nothing is finalized yet. However, speaking of railways, I dealt with that in February. Talk to the workers in New Carlisle, those of VIA Rail and CN. When there were problems, Patrick Gagnon was there. Patrick Gagnon even held a press conference with Mrs. Paterson, and that was a long time before the public hearings for propaganda, held by the opposition.

I did my job, and as a member of this House I am proud of the result we now have. Because of my efforts, because also of the understanding and commitment to VIA Rail shown by the Minister of Transport, the service is now guaranteed. I believe I did my duty, and do not forget that this was part of my platform. I am, first and foremost, a representative of the riding of Bonaventure—Îles-de-la-Madeleine. I met with the workers long before the opposition realized the importance of a railway line. It seems that the opposition wants to redeem itself, because its leader was party to a government decision to cut VIA Rail service by 50 per cent, back in 1989.

This is not a question for me to answer. The Leader of the Opposition should come before me, before Canadians, before the people of Quebec and of the Gaspé Peninsula, in order to explain why he agreed to cut the service by 50 per cent, so that, now, the train goes into the riding of Bonaventure—Îles-de-

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la-Madeleine only three days a week instead of seven as it did until 1989.

Where were you, Lucien Bouchard?

The Acting Speaker (Mr. Kilger): For the sake of all of us understanding one another, I will ask once again that, however heated the debate here in the House of Commons, however strong the feelings held and the desire to put one's views across, a member should always be referred to by his or her function or riding. Resuming questions and comments.

(1200)

Mr. Guimond: Mr. Speaker, it is regrettable that the Chair had to warn the hon. member eight times already.

I have another question.

The Acting Speaker (Mr. Kilger): Order! Quite frankly, I could not say whether this was the fourth, fifth, sixth or eighth time; I did not keep count. At any rate, I am patiently carrying out my duty and asking the hon. members to have a respectful and parliamentary conduct during debates. That is all. I will keep reminding the hon. members to do so, nine or ten times if need be, but I must inform you that patience will win out.

Mr. Guimond: As far as the way you conduct proceedings is concerned, Mr. Speaker, the past vouches for the future and I thank you for that.

I would like to comment on the hon. member's speech and ask a final question. I would like to know if he himself ever took the HST between Lille and Brussels? That is Lille, in France, and Brussels, in Belgium. I travelled with the transport committee to France and Germany last week, at no cost to the Canadian taxpayers as we were the guests of the two governments. We had the opportunity to take this train and to see for ourselves that, contrary to what the Prime Minister once said in response to a question, the HST does not stop at the Belgian border. The clearance procedure is the same as for air travel. Planes do not land in every European country for clearance purposes before flying over the border. Whether you are travelling by train, plane or ship, you are cleared upon departure and arrival. It would make no sense. Obviously, the hon. member was talking through his hat since he had never taken the Lille-Brussels HST.

I mentioned earlier in my speech plans to build a cement factory in Port-Daniel, which is located in his riding, in the Gaspé Peninsula. Does the hon. member realize the importance of rail service for the establishment of this factory in Port-Daniel, in his riding? I would like to hear his comments on this cement factory project which is conditional upon rail service being maintained in the Gaspé Peninsula.

Mr. Gagnon: Mr. Speaker, this is an interesting question from the Opposition. No, I did not have the privilege of taking the high-speed train between Paris and Lille because I did not have any money at the time. I was only a backpacking student. I think I hitch-hiked. However, I had the privilege of taking the Shinkansen between Tokyo and Osaka a few years ago. Believe me, the service was very good, except that Japan Rail has been privatized. It is not a profitable operation.

Talking about rail service, I would be the first one in my riding to be interested. As a member of Parliament, I feel that I am the legitimate spokesman for the riding of Bonaventure—Îles-de-la-Madeleine. If the hon. member opposite is interested in that riding, he should run against me in three or four years, if he really wants to become familiar with the issues.

Of course, there is not only the Port-Daniel cement plant but also Stone Consolidated, Abitibi Price and Tembec. Railways are used to the tune of \$10 million to \$20 million in that region but, again, we are still talking about the cement plant. Like any socio-economic regional development project, this one relies on rail service. To reassure the hon. member opposite, who sounds like he would like to represent the riding of Bonaventure—Îles-de-la-Madeleine, this project requires a great deal of study. Several steps must be taken. There are the environmental standards set by the Quebec government. I met with one of the developers.

I come from that area. My father was born in Port-Daniel; my family comes from there. Believe me, I am following this project with a great deal of interest. True, maintaining commercial rail service is important to any medium- or long-term economic development project in the Gaspé peninsula.

(1205)

Mr. Duceppe: Mr. Speaker, following discussions among the three parties recognized in this House, it was unanimously agreed that the next two speakers would be from the Bloc Québécois, after changes were made to today's agenda.

The Acting Speaker (Mr. Kilger): I do not think that unanimous consent is required. However, if you came to an agreement among yourselves, it is always better and I can proceed. Is it agreed?

Some hon. members: Agreed.

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, I will try to talk seriously about the national interest, an issue that the member for Bonaventure—Îles-de-la-Madeleine has tried to lose sight of from the beginning of this debate.

We asked for this one-day debate on railways to consider solutions to rail problems and not for partisan questions of what happened in the past or concerning individuals who are not here.

In my statement, I will not provide the solutions which the minister was asking for because before we propose remedies, we must first make a diagnosis, and it appears from the diagnosis that I am to present that the government's inaction and inertia are mainly responsible for the problem with railways. So I shall present this part of the diagnosis and not specific remedies, as far as I am concerned.

The Canadian government's inertia on rail issues is in strange contrast to the dynamism shown by most other developed countries in this field. In Canada, our leaders consider the railways to be things of the past; as development tools, they certainly had their days of glory, but they are doomed to disappear. In other countries, the railways are considered excellent means of transportation which must urgently adapt to current requirements. On this point, I will repeat what the member for Bonaventure—Îles-de-la-Madeleine said about the difference in population density between Belgium and Quebec.

I will tell him right away that it is not the Parti Québécois's intention to propose railways for the Far North, whose population density is about average for this country, but only in the southern corridor, where the density is quite comparable to many European countries that are now trying to renew and develop their rail system.

Our government's inaction on rail transport is essentially due to lack of vision, as my colleague from Beauport—Montmorency—Orléans showed very well. When you do not see the source of the problem, it is hard to move. That is the trouble which this government, and especially its transport minister, have: they see the railways as basically folklore.

The government does not act. It lets rail lines belonging to one of the greatest railway systems in the world be dismantled on the basis of purely cost-accounting decisions. The socio-economic benefit analysis of a railroad is ignored and replaced instead by a cold and narrow accounting analysis.

This government does not act. It lets thousands of railroad workers lose their jobs. The restructuring of the main providers of employment in the country is done without any follow-up. The government lets CN's head office, in Montreal, become gradually more and more empty, for the benefit of Winnipeg and Moncton, but at the expense of the quality of service. A company in my riding, Transpotech, can attest to that deterioration, since CN moved some of its services from Montreal to Winnipeg.

The government does not act. It is still dragging its feet regarding the high speed train issue, wondering whether that project is too costly or not. Yet, a consortium which includes Bombardier is convinced of the viability of that project and keeps winning major contracts all over the world, except in

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Canada. Do you not think that these people have given sufficient credentials to be listened to?

(1210)

The government does not act. There is no precise definition of Canada's transport requirements for the years to come. While foreign governments promote rail service and give it priority, this government chooses to ignore the tax and regulatory problems which our carriers have to face.

The government does not act. It cannot see the environmental and economic benefits which would result from a strengthening of our rail system. If the government cannot see those benefits, the opposition can demonstrate how economic development and environmental protection can both be achieved through a sound rail policy.

This morning, I want to propose new tools and provide data that should prompt the government and the Minister of Transport to wake up. Of all the various modes of transportation, the rail system is obviously the less harmful to the environment. It uses less fuel and releases less pollutants, hence contributing significantly to the air quality.

Statistics released in 1990 show that the percentage of pollutant emissions reaches 4.8 per cent for trains, compared to 18.4 per cent, which is four times more, for trucks. Because of its rate structure, trucking has become the main obstacle to an increase in train services, despite the social and economic benefits of the rail system. This is why I want to compare these two modes of transport which, instead of being competitive, could be used in conjunction, within a dual-mode system, but we will get back to this issue.

Figures concerning the difference in pollutant emissions for both modes of transportation are eloquent. Let me give you just one example: carbon dioxide emissions by trains reach 13.9 per cent, compared to 48.4 per cent for trucks, the relatively low fuel consumption of trains accounts for the difference.

Let us examine the comparisons between both modes of transportation. The advantages of the rail system are significant. However, one of the main benefits of the rail system, compared to trucking, is the fact that trains can carry heavy loads on long distances. For example, a study showed that to move 200 containers across the United States, there would have to be three to five engines on the one hand, and more than 200 trucks on the other.

The intrinsic features of rail transportation thus allow to impede road congestion which adversely affects economic development. Obviously, if all lines were electrified in Canada, train emissions would be markedly reduced. Countries concerned with environment protection consider electrification of their rail system in line with their sustainable development policy. Western Europe has the highest rate of rail lines electri-

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fication: 99 per cent in Switzerland, 55 per cent in Italy and 26 per cent in the United Kingdom.

Canada ranks behind the United States with less than 1 per cent in spite of its huge hydro capacity. There could be no better example of the inadequacy of our system not only in regards to its needs but also to the resources it uses. Air transportation is by all means the most polluting. It is more polluting and energy-consuming than rail transportation, which brings me to the issue of the high-speed trains, which I will address strictly from the point of view of environment protection, since my colleague for Laval-Centre will later review the whole issue.

As we know, the French high-speed train and also other rapid trains as the German ICE, the German Trans-Rapid, for example, can easily keep up with planes as for the duration of long-distance travel.

(1215)

Thus, with better rates and lower consumption levels than the air transportation, the high-speed train in particular proves to be an environment friendly alternative while meeting the speed and comfort needs of travellers.

Mr. Speaker, the train is very competitive as far as energy consumption is concerned. At high as well as at low speed, it can, in most cases, use electric power.

Any measure aimed at an increased use of railroads should be supported by an adequate fiscal and regulatory policy. As things stand right now, the railway companies do not get any tax benefits resulting from the fuel tax for example. If the government wants us to believe it is serious about giving a new start to the rail transportation industry, it must first provide for tax arrangements which will promote an increased use of the train.

The railway industry should get the same benefits as its main competitor, the trucking industry. It is urgent that the government brings its tax measures up to date because, at present, they indirectly support the trucking industry while railroad companies have to establish and maintain their networks themselves. Truck operators do not pay for the maintenance and the construction of the roads although they contribute largely to the deterioration of that infrastructure.

Road transportation is very expensive because roads have to be repaired and rebuilt. It is also environmentally very costly because it takes up large spaces. A highway requires six times as much space as a railway. It was also established that you would need sixteen highway lanes to move as many people in one hour as you would on two railroad lines.

One Eastern Quebec group, the Comité de la protection de la santé et de l'environnement, in a brief submitted in 1989, provided figures showing the basic advantages of a railroad-oriented approach. We tend to forget about them. The committee members estimated that the building of one highway mile requires 20 acres of land while the building of one railroad mile

requires only 6 acres of land. The issue is not land scarcity but optimum land use.

So I explained why, in terms of transportation, we must do more to support the railroad industry. At this point, it would be useful to consider how this much desired expansion will proceed.

Many stakeholders in the transportation industry are pressing for a national, integrated transportation policy. We need a policy that allows for competition and market forces and deals even-handedly with all modes of transportation in this country. It should also get rid of all the tax inequities that put the railway sector at risk.

We have an extensive railway network that, although not in good shape, could provide some interesting opportunities. From a strictly economic point of view, revitalizing our railway infrastructure should be the first step, before we consider intermodal or multimodal approaches.

Actually, users depend increasingly on the combined use of several transportation modes. Introducing intermodal technologies, including equipment that allows for the quick transfer of goods from trucks or ships to trains, will revitalize the railway freight industry.

Intermodal is the future of the railways. In 1991, revenue generated by intermodal activities for Canadian National and Canadian Pacific totalled \$745 million. This amount represented 6 per cent of the total tonnage of railway activity and 13 per cent of the total revenues of CN and CP. In the past few years, both companies have made substantial investments to adjust to new market demands. Taking a comprehensive and integrated approach to transportation will support these companies in their efforts to go beyond the traditional markets of the railways.

(1220)

The total volume of intermodal traffic at CN and CP in 1991 was 12.2 million tonnes. Of all activity sectors using intermodal transportation, import export is by far the most important one, representing half of the total tonnage.

In the present context of market globalization, one cannot overemphasize the importance of strengthening our import export activities. Without wishing to sound like a science fiction writer, I think it is entirely realistic to say that the intermodal approach is indispensable if Canada and Quebec are to take their place in the vast global market that will develop in the twenty-first century.

To do so, however, we need the railways. This government is doing the exact opposite of what is now being done by the Europeans. In Europe, decision-makers have understood the pride of place the railways should have in economic development. Canada uses its railway infrastructures for freight and passenger transportation ten times less frequently than do most

European countries. Trade within the European common market is efficient and effective as a result of a policy that integrates all transportation modes, while considering the merits of each one, to make them function as a powerful development tool that is able to satisfy both economic interests and environmental concerns.

The European Commission estimates that between 1990 and 2010, the volume of freight hauled by trucks will increase by 42 per cent. Alarmed by road traffic which will eventually be totally out of control, leaders of the European Community are proposing to transfer, as much as possible, the transportation of goods from road to rail and water.

Railway transportation of goods is being encouraged by European governments concerned by the worsening of environmental damage caused by an excessive reliance on road transportation. When you consider that in France, in Italy or in Spain the volume of road traffic is about 6.5 times that of rail traffic, while in Canada the ratio is 1 to 76, you realize that it is high time that we should do the same.

An integrated transport policy requires the establishment of a basic railway network. Such a network, essential and specialized, would have to be set up in co-operation with the provinces, since they would have major economic interests in it.

To be effective, the federal government intervention would have to recognize the jurisdiction of its provincial partners in an integrated transportation system. Government action must balance federal responsibilities in rail transportation and provincial jurisdiction in road transportation. Integration does not necessarily mean uniformity.

In the meantime, while we wait for an all-Canada network, we should impose a moratorium on railways to avoid the senseless and premature destruction of valuable rail infrastructures. We have to stop the haemorrhage of rail line abandonment in Canada, and in Quebec in particular. At the rate we are going, by the time the transport minister finally realizes that this country needs a basic railway network that harmoniously integrates all means of transportation, it will be too late.

That is why a moratorium is so important. It will allow us to analyze the planned abandonment of lines, on an individual basis, and mainly to evaluate the potential role these lines could play in the future basic railway network we must put in place.

The railway industry must be put back on track. There is no better way to say it. When the whole world, including our southern neighbours, is increasingly relying on railway transportation, in Canada, we are increasingly relegating it to a bygone era, a nostalgic past.

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Instead of paying tribute to the memory of the Fathers of Confederation, we should do Canadian taxpayers a huge favour by stimulating trade through the railway industry. Railway transportation is undeniably an essential service.

(1225)

It is high time to take advantage of the economic, social and environmental benefits of railway use. We need public commitment. Sweden and a unified Germany are already planning to invest as much in their railway system as in their road network. Of course, an eventual public commitment will have to be accompanied by measures to eliminate such irritants as unfair transportation subsidies and tax exemptions on fuel which are not generalized.

Most of all, it is high time to put in place a basic network integrating all means of transportation, in a co-operative, non-confrontational manner. As long as an integrated transportation policy has not been given serious consideration, the under-utilization of Canadian rail lines cannot be used as an argument to justify their abandonment.

The status of Quebec in the next century should not interfere with this super network project. Europeans have such a network, although Europe is made up of numerous sovereign states which are all participating in the economic development of the continent. With NAFTA around the corner, we must draw our inspiration from the accomplishments of the world communities.

We hope that, in the 21st century, all of North America will be connected to a huge modern, efficient, viable, reliable, and affordable transportation network that will make it easier to move goods and people while respecting the environment. Such is the challenge ahead of us. If we do not want to miss the boat, now is the time to take action.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, I listened with great interest to the presentation made by the hon. member opposite and I think that he made very important points on some issues, particularly the importance of the environmental impact of emissions, a common problem related to heavy trucking in Quebec and all of Canada of course. He also touched on sustainable development. His transportation costs analysis was very interesting and I wish to take this opportunity to commend his work on this.

This leads me to the following question. The hon. member claims to be extremely sensitive to all these issues and talks about a corporate national transportation policy. The problem I have with this is that a national policy would, of course, be applied across Canada. So, I wonder how he would make such a plan work if Quebec were to become independent and separate from the rest of Canada. Also, in the present context, what role

Supply

would he see Quebec and the other provinces play with regard to road taxes? Could they possibly be reduced?

He must have more frequent dealings with his Quebec counterparts than I do. What is Quebec's position on this issue? How can road taxes be reduced? How could Quebec be made a part of the Canadian family in relation to a national transportation policy? I would like to hear what the hon. member has to say on this issue.

Mr. Mercier: Mr. Speaker, although I am certainly closer to my colleagues in Quebec City than the hon. member for Bonaventure—Îles-de-la-Madeleine, I would not presume to speak on their behalf about their proposed fiscal policy on fuel taxes.

I see that my hon. colleague is very concerned about the lack of accountability, in his opinion, of several states in establishing a rail network. My colleague has just pointed out to him that the train between Brussels and Lille crosses the border without stopping. Since I come from that region, I can assure him that this did not start with the high-speed trains but decades ago. The networks are generally international, except perhaps in Japan and Madagascar, which is another island. I did not check.

Generally speaking, however, every country that is part of an international network is concerned about the quality of rail service in the other countries, because the quality of the whole network depends on the quality of rail service in each of its components.

(1230)

If we are interested in the quality of the federal network, it is because we think, despite our sovereignist views, that the quality of Quebec rail service depends on the quality of the North American network in a very general way. Canada and Quebec, which is now a province, must of course work together to build this great North American network which, in the national interest, must be as good here as in the other countries.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, it is true that the hon. member comes from Europe. There is no doubt that when we are talking about the EEC, the historical context is very different in the case of this association of European countries. Let us not forget that a war had just ended in Europe; in spite of that, there was a common desire to regroup.

I should mention for the benefit of those who are listening to us that the EEC started with the Group of Six, followed later by the Group of Twelve, before eventually becoming a larger body with more member countries. Canada does have an advantage however in that it already has national policies which are almost the envy of Europe, with respect to the way we treat our provinces and communities.

Once again, I would really like to know how Quebec's transportation industry could benefit from separation. Everything would have to be renegotiated and I think the member opposite will admit that there might be some hesitation on the part of the other provinces, and even the United States, to negotiate with an independent country.

The member should tell us how Quebec could renegotiate a national transportation policy in the event of a break-up of the country and a tougher stand by Quebec itself or by the other provinces.

Mr. Mercier: Mr. Speaker, of course, if Quebec becomes independent, there will be several technical questions to settle, and the issue of rail transportation will just be one of them. However, the hon. member must understand that, even though this issue will come up, it will not be impossible to resolve. It will only be one more issue to settle.

Among other things, separation will enable Quebec to electrify its rail lines, which would increase consumption of its national source of energy instead of what it considers imported energy, with all the environmental benefits this implies.

Also, we could elaborate a policy according to our own national interests, instead of watering them down with other interests, and not only where rail transportation is concerned, but in other areas as well. Everyone knows that, in the rail transportation area, Western Canada has always been in favour with the government and has received very generous gifts paid for by every Canadian taxpayer.

Once Quebec becomes independent, it will not have to pay for gifts that do not benefit Quebecers and it will look after its own national interests, but always in a spirit of co-operation and continuity with Canada and North America.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, it is with great pleasure that I rise to take part in this debate. I have been asking for weeks that an opposition day be devoted to railways. That is why I am pleased to enter this debate.

(1235)

Before dealing with my main topic, I would like to respond briefly to comments the transport minister made in the House today.

First of all, the minister accused the official opposition of standing for the status quo as far as rail transport is concerned. In other words, the Bloc Québécois would be in favour of the status quo in transportation, and more particularly in railways.

Let me emphasize that such is not the position of the Bloc Québécois, and the minister knows it. His comments are sheer grand standing for the benefit of his constituency, and they do not relate in any way to the subject matter. Those comments demonstrate that this Liberal government does not take rail

transportation seriously. One clue to that is the comments by the Minister of Transport; another is that the government seems to rely only on the hon. member for Bonaventure—Îles-de-la-Madeleine to respond to remarks by Bloc Quebecois members. He often seems to lead us off into debates that have nothing to do with the debate at hand. Clearly, the government does not take rail transportation seriously.

As my colleague, the hon. member for Beauport—Montmorency—Orléans pointed out this morning, the Bloc Quebecois has been asking for almost a year that the Standing Committee on Transport examine the whole issue of rail transportation. This has been denied us for all kinds of reasons, each one shakier than the other, and this means that after a year of Liberal government we are in a worse situation than before.

I can tell the Minister of Transport right off the bat that what the Bloc Quebecois wants is to know where the government is going in the area of rail transportation. His responsibility is to tell us what direction he is taking, what he intends to do after a year in his portfolio. We want the government to protect the interests of all Canadians, but more precisely, as far as I am concerned, the interests of Quebecers and particularly the interests of my constituents, severely affected by the decisions the government is taking in the area of rail transportation. I will come back to that.

We want a real public debate on the future of rail transportation. We want real solutions. We, in the Bloc Quebecois, refuse to identify as the only scapegoats employees of CN and CP and their so-called golden collective agreements. When you consider the perks given to the president of CN, which were mentioned by my colleague from Beauport—Montmorency—Orléans, and the outrageous benefit that a house represents, I think it is rather foolish on the part of the government to single out unionized workers for the lack of profitability of rail transportation in Canada, especially east of Winnipeg.

The reasons why I insisted for so long for a debate on this subject led me to wonder about the future of a rail network in Quebec.

(1240)

And I will say right away for the benefit of the hon. member for Bonaventure—Îles-de-la-Madeleine that my comments arise primarily from a concern about the future of the rail system in Quebec, linked of course, with North America as a whole.

I have been looking at the rail question for several months now, and have seen the threat of the slow but systematic destruction of its rail network looming over Quebec.

Supply

My riding, Mégantic—Compton—Stanstead, provides the perfect example of the sort of hypocritical manoeuvre the federal government is planning to carry out in Quebec. The abandonment of the line linking Sherbrooke, in the Eastern Townships, and Saint John in New Brunswick, is being threatened for January 1, 1995. This abandonment was ordered by the National Transportation Agency under the former government. I mention this again so that the hon. member for Bonaventure—Îles-de-la-Madeleine will not have to rise in the House and blame the leader of the opposition for all the decisions taken since the beginning of Confederation.

This abandonment would be a real economic disaster for the Eastern Townships, with potentially devastating consequences for the entire area, and I would go so far as to say for the whole of the Eastern Townships.

And yet, while we are experiencing a crisis of major changes and drastic cuts in the rail industry in Quebec and in Canada, the Standing Committee on Transport—and I point this out again—has always systematically refused to look at the rail question, despite the repeated requests of the official opposition representative.

We are told that the committee must focus on the future of the aviation industry, the future of airports, and that there is therefore no time for the future of rail, an industry that in 1993 employed close to 50,000 people across the country. No time! The committee has no time! Realizing the ridiculousness of the situation, the Minister of Transport announced, last September 29, the creation of a task force to examine the possible privatization of CN.

But to make sure it would not interfere with schemes to dismantle the Quebec railway system, the minister took the trouble of appointing an all Liberal task force, with only one member from Quebec sitting on it. The minister need not worry; this task force is not likely to make much noise.

The question we must ask ourselves at this point is: why is the government so afraid of having Bloc members on this task force? Why have such a suspicious behaviour that resembles a conspiracy? Upon analyzing the whole issue, the federal government's sinister intentions in the railway system become clear.

I would now like to review briefly the events of the past year regarding the rail issue. The minister referred to it this morning.

First, there was the statement made by the CN chairman, Mr. Paul Tellier, in December 1992, who apparently wanted to merge the CN and CP railway systems. This period of a few months was referred to as the CN-CP operations consolidation period. For reasons unknown to us, since all was done in secret, this plan fell through sometime around June 1994.

Supply

(1245)

Then, and it is still on the table, CP Rail presented a bid to purchase CN assets for \$1.4 billion.

A few weeks ago, Bloc Québécois members have met with senior CP executives to clarify the contents of the proposal put before CN management and government authorities. We came out from this meeting with more questions than answers.

As I said earlier, we are particularly concerned about the fact that the federal government seems to want to divest itself of assets that belong to the people of Quebec and Canada as a whole. Regarding the CN railway system, we must bear in mind that this is a public company. Therefore, CN facilities across the country belong to the taxpayers of Quebec and Canada.

We are very concerned that a private company like CP could buy this system and then do whatever it feels like with it. This is the main criticism we, the Official Opposition, are directing at the government.

As we said in our motion, which refers to the government's lack of transparency on this issue, we find it unconscionable that the government is making decisions on the future of the public rail system, at least the part belonging to CN, without the people—or at least the socio-economic stakeholders—the Official Opposition and the Reform Party being consulted on and participating in the upcoming decision on the future of the rail system.

Regarding the sale of facilities to CP, we will need much more information and many more assurances from the government if it wants us to approve this deal.

Most of the Quebec portion of the CP line from Saint John, New Brunswick, to Sherbrooke goes through my riding of Mégantic—Compton—Stanstead. This line belongs to CP. For several years now, we have witnessed CP's "demarketing effort" to discourage potential industrial clients from using their services, as well as the difficulties experienced by local people. Their attitude seems slightly different today since CP needs people's support to buy CN—But when we see how difficult it was in the past to obtain information from CP, we are entitled to ask ourselves what will happen when this company takes over the whole network in Eastern Canada, and especially in Quebec. It would take compelling arguments to convince me that this is a good deal.

I would like to say a word about the federal government's criteria for assessing the networks to be abandoned or sold off.

(1250)

Everyone agrees that the two main criteria are profitability and the public interest. Everyone also agrees that east of Winnipeg—and this is not partisan separatist talk, because it affects Ontario and the Maritimes as well as Quebec—profit-

ability is the criterion used by the National Transportation Agency to decide on the future of a railway or branch line.

How can local people show that a rail line is profitable? I would say that they almost have to prove it foot by foot and not for the whole line. I will just give an example to illustrate what I am saying. The rail line which concerns me, the one from Saint John to Sherbrooke, has a client about 10 km west of Sherbrooke called Eka Nobel. This company alone does over \$3.5 million of business with CP every year to move its merchandise.

When the time came to consider the profitability of the railway east of Sherbrooke, this customer located 15 km west of Sherbrooke was not taken into account. This shows the ridiculousness of such a situation where figures are made to say what one wants them to say.

For the future of railways in western Canada, public interest is the criterion used. To prove this point, and no one can challenge this, I take the subsidies for shipping western wheat; for the current year, about \$600 million of our tax money will be used to pay for the transportation of wheat in the West. There is no equivalent in eastern Canada. This policy is a double standard which obviously puts rail service in eastern Canada at a disadvantage.

To conclude, I would like to say a word about the future of rail transport, since this morning, the minister—as I said and repeated earlier—accused the Official Opposition of wanting to maintain the status quo. When my colleague who spoke just before me talked about a moratorium on abandoning rail lines throughout Canada, and especially in Quebec, the reason we are asking for a moratorium is not to maintain the status quo but to let the local and regional stakeholders and the Government of Quebec meet with representatives of the federal government to discuss alternatives. Alternatives exist. Later today, some of my other colleagues will talk about short lines, which Quebec law encourages and permits. To establish a short line, the local community must take charge.

One of the problems the railway system has to face is the loss of interest of the population these last few years. There are several reasons for this change of attitude, including the fact that the railway companies, the CN and the CP, have chosen to keep their operations secret. Because of the way the CP handled things in my area, potential users no longer want to do business with this railway company, and our people lost interest.

So, we need to hold a real debate. This is why I hope the speeches made today in this House will not close the debate on the railway system, but rather launch a truly public debate on the issue, a debate in which the government and the opposition should take part and make their position known, to reassure the population that the railway system will be maintained and expanded throughout Canada.

Supply

(1255)

On a more specific note, I want to say that in Quebec and in my riding, there can be no economic future without a profitable railway system, and such a railway system can obviously ensure economic development and also be financially viable. To do so, we need the co-operation of all the people involved. This is what we, in the Bloc, are trying to do and we can only hope that the government join us in our efforts.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, I listened with great interest to the hon. member's comments. We are discussing a national policy, but the previous speaker talked about converting Quebec's railway system to electric power.

I find it hard to see how we could ensure national co-ordination if electricity is used in Quebec but not in the rest of Canada. I would really like to know what would be the costs of an independent service in Quebec, as proposed by the opposition, and I wonder if the hon. member can provide an answer to this very legitimate question.

Mr. Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, with all due respect for the hon. member representing Bonaventure—Îles-de-la-Madeleine, I realize that he does not know anything about the railroad issue and I would hope that, in the few hours of debate left, the government will be represented by people who have some basic knowledge of the issue.

When Bloc Quebecois members, and certainly myself, talk about the future of the railway system in Quebec, it is of course in the context of a larger network which would include surrounding provincial or federal states, including the United States. I remind the hon. member for Bonaventure—Îles-de-la-Madeleine that, during the debate on free trade, sovereignists were the strongest and most vocal supporters of that option. In fact, Conservative Prime Minister Brian Mulroney paid tribute to the current deputy premier of Quebec, Mr. Bernard Landry, who travelled across Quebec, and even Canada, in support of the free trade accord with the United States, back in 1988.

Sovereignists are not afraid of economic challenges. We have no problem whatsoever with competing. We are well aware that we live in North America and we want to develop economic, cultural and social links as much with Canada as with the United States. In that respect, the railway system is a tool among others. My colleague, who has experienced railway systems in Europe, made it very clear a few minutes ago. In Europe, railways cross borders almost every 600 or 700 kilometres and there is no problem. Nobody ever said: "We will have a network in France, but no connection with Belgium, Italy or Spain".

Obviously, when my colleagues and I think about railway development, what we have in mind is a network linked to all of Canada, as well as the United States. In fact, the railroad in my riding is an international line, since it goes across Quebec and Maine, on to New Brunswick. It goes without saying that we must think in terms of the whole continent when we look at the railway system. We hope to save our domestic network so as to be able to connect with American networks as well as Canada.

(1300)

As regards the use of electricity, it is one of many options, and as good as many others. My colleague was simply trying to show that, with a bit of imagination, there are solutions which could ensure a promising future for the railways.

Mr. Mercier: Mr. Speaker, the hon. member for Bonaventure—Îles-de-la-Madeleine made a reference to what I said about electrification, so I would like to add that electrification is an option that offers tremendous economic as well as environmental benefits, for Quebec and Ontario, two provinces that produce large amounts of electric power.

What I meant is that if Quebec were a sovereign State, it could look at the option of electrification more independently and with greater emphasis on national interests, I would say, than would be the case today, when we have people lobbying to maintain the use of oil. I may add that some railway lines, and I have travelled on these, use oil on one section and electricity on another section. It is not a major problem.

The Acting Speaker (Mr. Kilger): Does the hon. member for Mégantic—Compton—Stanstead wish to comment?

Mr. Bernier (Mégantic—Compton—Stanstead): Do I have any time left?

The Acting Speaker (Mr. Kilger): Yes, of course.

Mr. Bernier (Mégantic—Compton—Stanstead): Yes, Mr. Speaker, I would like to elaborate on what the hon. member just said. Basically, his point was, and I mentioned this earlier, that we should look at all the options or at least keep all our options open in the railway transportation sector as in all other sectors.

The hon. member for Bonaventure—Îles-de-la-Madeleine asked some of my colleagues what position the Government of Quebec would take on this matter and what the position of the municipalities would be on taxation. He was referring to the fuel tax.

I would like to comment briefly in this respect, since during the past year, I was very involved in working with people in my community to raise public awareness of the future of railway transportation. I think that important progress was made during the past few weeks, and I am delighted to see that.

Supply

I also had an opportunity to talk to municipal authorities, who told me they had no objection to reviewing their right to raise property taxes and to business people who expressed an interest in investing in short-line railway companies. In fact, the only ingredient still lacking is a clear-cut decision by the government and the Minister of Transport to include the public or its representatives in this debate.

So far, and we see this in the so-called task force set up by the Minister of Transport, there is no room for the opposition, not for the Official Opposition and not for the Reform Party. As far as consultations with the industry are concerned, there are a monumental farce, and that is why we are telling our stakeholders to boycott these consultations, since their only purpose is to let the government hear what it wants to hear. What we need is genuine consultations across Canada, and I am prepared to co-operate with the government and let our intervenors come and say what they think of railway transportation and what they are prepared to do to ensure its future.

(1305)

Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.): First of all, Mr. Speaker, I wish to commend the open-mindedness the hon. member for Mégantic—Compton—Stansstead has shown in advocating a national railway system from coast to coast, that is to say from the Atlantic to the Pacific and, of course, going across Quebec.

It is with pleasure that I will be talking today about a critical element of Canada's infrastructure, CN North America. CN is the largest rail carrier in Canada as well as the largest federal crown corporation with assets over \$5 billion and revenues in 1994 forecasted at over \$4 billion. CN North America operates an extensive network of 18,000 miles and provides about 30,000 jobs across the country. It serves shippers in 8 provinces giving them access to all major Canadian ports and to markets in the U.S.

CN North America has faced several difficult challenges over its existence and, more particularly, over the last few years. Let me explain, the market for rail has changed dramatically and motor carriers now compete vigorously against rail carriers. The commodities best served by rail are under growing world price pressure and are demanding lower transportation rates. Shippers from the manufacturing sector are demanding better services in terms of reliability and rapidity.

All these factors have affected the financial performance of CN North America and resulted in continued losses over the past few years. However Mr. Speaker I believe that CN North America has begun to take the necessary steps to improve its future performance. The company is rationalizing its network. It is abandoning the few remaining lines where there is simply no

traffic and selling to local entrepreneurs the lines that serve local markets and can be operated profitably by a small-scale railway company.

These regional railways or shortlines are usually more responsive to local shipper's needs and consequently provide services of equal or higher quality than class 1 carriers. In addition, their more flexible work rules allow them to adapt quickly to market demands and make them a lower cost solution than the traditional class 1 carriers.

In addition to rationalizing its network, CN North America is currently implementing a major labour reduction initiative. The company announced in 1992 that 11,000 jobs would be eliminated over three years. That announcement resulted in a significant write-down and a loss over \$1 billion in that year. But it also signalled to the financial market, the company's firm intention to control its costs.

CN North America is now in the second year of this initiative. It recently confirmed that 70 per cent of the cuts have been made. This initiative represents an important change in the organization that needed to be made if CN North America is to become a viable operation.

CN North America has also increased its marketing effort and is investing to offer shippers the best service available. The expansion of the Sarnia tunnel is perfect example of an investment that will give the company a competitive edge over its competitors in the intermodal market. By investing over \$200 million to expand the Sarnia tunnel, CN North America will soon be able to move double-stack containers between Montreal, Toronto and Chicago. This could represent savings of 12 hours for shipments going to Chicago.

(1310)

Another good example of CN North America's strive for improved service is the recent purchase by the company of a leading-edge information system that will track individual shipments from pick-up to delivery. It will now be possible for CN North America and its shippers to know exactly where a shipment is and when it will get to its final destination.

I am glad to inform the House that CN North America is starting to reap the benefits of its ongoing efforts. The company earned \$186 million for the nine months ended September 30, compared with a loss of \$41 million in the comparable period in 1993. The company could earn as much as \$225 million profit this year, which would break the long series of losses experienced over the last few years.

However, this year's profit is not yet the happy ending we are all hoping for CN North America. The company's debt remains at \$2.2 billion, a very high level. And the profit in 1994 will not be sufficient to reduce the debt significantly because of important requirements for capital investment.

Supply

CN North America must continue to invest in its infrastructure to respond to growing demand and to reduce its costs. Higher profit over several years will be necessary to start reducing CN North America's debt. Fortunately, the recent cost-cutting and revenue-enhancing initiatives undertaken by CN North America put the company in a position to reap the benefits of the current strong economic growth and establish the base for a viable rail operation.

We are all aware that on September 22, Canadian Pacific Ltd. presented to government an unsolicited proposal to purchase CN North America's eastern assets. The offer came a few months after the failure of merger discussions between CN North America and Canadian Pacific Ltd.

You will recall that Canadian Pacific Ltd. and CN North America initiated these merger discussions more than a year ago in an attempt to consolidate their money-losing operations in eastern Canada. The discussions failed when the companies could not agree on the value of the assets they were each contributing to the deal.

The government is now reviewing CP's bid to assess the many implications for the rail industry, shippers, rail employees and taxpayers. In particular, government is reviewing the competitive implications of the proposed bid for shippers located in eastern Canada as well as the likely impacts on transcontinental traffic and western shippers.

The review will also include an assessment of employment impacts of the take over. And government has retained the professional service of Wood Gundy, and investment banking firm, to provide advice on the financial aspects of the proposed transaction.

The overall review is proceeding quickly but the government made it clear that it would take all the time required to conduct a proper assessment of the offer.

This unsolicited bid prompted the Minister of Transport to announce on September 29 the creation of a task force on the commercialization of CN North America. The task force, chaired by my colleague from Kenora-Rainy River, Robert Nault, will focus on commercialization of the company, including potential employee participation.

The task force will seek input from a variety of stakeholders in the rail industry, including railway employees, shippers, provinces, communities and the railways.

To date, the task force has been briefed by senior executives from CN North America and other rail industry experts, by the Canadian Railway Labour Association and by the National Transportation Agency.

(1315)

Public consultations will start next week on November 22 in Ottawa and will be held in a dozen of other cities across the country over the next month. The task force is expected to report to the minister of transport by the end of the year.

I want to emphasize that the task force review is only one element of government initiatives to streamline its operations and review its role to define what must be done by government and what could be accomplished by the private sector. Accordingly, Transport Canada is currently reviewing all its operations to determine what activities could be better accomplished by the private sector or in partnership with the private sector.

In the rail sector, Transport Canada has undertaken a review of the industry to determine the key elements impeding railway's performance. The objective is to define a strategy dealing with these issues that will improve the railways' ability to compete and provide efficient and affordable service to Canadian shippers.

Transport Canada has concluded a series of regional consultations on the rail industry where shippers, the railways and unions were asked for recommendations to improve the railways' performance and ability to compete. The discussions covered several issues from railway management, labour practices to rail regulations.

In parallel to the consultations, Transport Canada is taking a close look at its regulations to ensure that our transportation companies, including the railways, operate in an environment that favour efficient use of resources and high-quality service for shippers.

Obviously, the future of CN North America will be affected by all these initiatives. Changes in the rail industry as well as changes in the perception of government's role vis-à-vis crown corporations would have a direct impact on CN North America. It is too early to speculate on what the future of CN North America will be. The government has undertaken a series of reviews that will all affect the corporation: a review of the environment in which the corporation operates; an assessment of CP's unsolicited bid, and a review of the potential merits of commercializing CN North America.

The company has begun to take the necessary steps to become an efficient rail operation. The conclusions of these reviews will be instrumental in maximising the benefits of CN North America's initiatives. The government will ensure that railways operate in an environment that allows them to freely compete and gives them the opportunity to adapt to shipper's demands in an efficient and affordable manner.

Supply

In this context, the future of CN North America will be determined by what is best for the rail industry but also for Canadian shippers and the Canadian people.

[English]

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, it is a pleasure to participate in debate on the opposition day motion concerning the inaction and lack of transparency of the government with respect to the potential restructuring of Canada's railways.

I look upon this as an opportunity to speak about the vision, history, and fabric of this great nation. It is difficult not to be nostalgic and perhaps a bit sentimental when one speaks of a symbol of our heritage, a simple yet binding line of steel that forged the country and tied a fledgling nation together over 125 years ago.

What child of our generation can forget running to a window to watch the train or the haunting late night blast of its steam whistle belching clouds of smoke? The steam, coal and smoke may be gone, replaced by diesel turbines and electric motors, but the memory lives on. Or, does it? And if it does, for how long?

(1320)

In preparing for this speech I could not help but recall two formative pieces of Canadian literary work, *The National Dream* and *The Last Spike*. Pierre Berton's comprehensive works on CP Rail and the line of steel that brought my home province of British Columbia into Confederation are enduring. It is hard to forget the concluding paragraphs of Berton's work as the last spike is driven at Craigellachie and the tiny engine rolls through the mountains, down the escarpment to the Fraser Valley meadows, off to the blue Pacific and on into history. This is the legend, the lore, and what brought the country together.

Nothing is static. While one can reminisce about the past, its simplicity and fragile beauty, a country marches on and not always as it should. Change is not always improvement. Motion is not always progress. Simple men sometimes lack the vision of our forefathers and choices are not always the right ones.

We are here today to question and debate where we are going as a country not in all dimensions but in one fundamental basic dimension: rail travel, be it CN, CP or VIA Rail. We are here to question our vision, our progress and our choices.

Despite what the current administration thinks sometimes money cannot buy vision. It cannot, as in this instance, buy decisiveness in our rail policy for the country. The fact remains that the government has shown complete disregard for a rail policy for Canada.

As in the 1860s times have changed. The solutions we used to forge rail policy in the 1960s and 1970s are not compatible with today's problems, including the movement of freight and

people. While an enlightened rail policy could forge new dynamics in transportation in Canada, the current government holds any mention of vision or change in contempt. Worn out political hacks at CN headquarters in Montreal work in secret. Their vision parallels that of the Bloc's motion of unrealistic \$7 billion to \$10 billion rail corridors bordering the St. Lawrence River. These are monuments to the greed and largesse of better days, not sensible alternatives to the inertia that really grips these people.

This is not 1860. Government and the public sector are not masters of all. There is no bottomless pit of inflated dollars for high speed rail corridors. The torch has been passed and the notion that the government or the public sector can do it better does not pass the litmus test of the 1990s. So-called privateers like the Bombardiers who like to innovate as long as government dollars are there are not solutions but drains, and no more so than in rail policy.

The Reform Party promotes a vision that promotes privatization and spinoff of federal transport operations into private hands. The Reform Party supports the Bloc's motion condemning the government's shoddy if not non-existent rail policies. Who knows what the future holds for CN or CP Rail?

The Reform Party supports CP's recent offer to purchase CN's eastern operations. How has the transport minister reacted? It has been with scorn, hesitation and indecisiveness. Is this a rail policy? What is he waiting for, a better offer? No, he is content with the status quo. In many ways this attitude is as dispensable as the steam whistle and the clouds of smoke. If the minister is devoid of solutions or visions why not open the process to public review and scrutiny?

(1325)

A ribbon of steel from east to west has become an ever decreasing concentric circle where we end up meeting ourselves. We are going nowhere. Let us look at VIA Rail, the sinkhole of inefficiency. It is one of the biggest money losing, overbureaucratized entities in Canadian transportation. This is not because of rank and file VIA Rail employees. No, it takes a special public service background and mentality to run a railroad into the ground and make six-figure salaries while doing it.

Without question putting VIA Rail in private hands would cut costs, revitalize the corporation and its people, and allow it to return many passenger routes that have been abandoned or are in danger of being cut. It does not take any vision to keep cutting and make a few dollars, but in the case of VIA it does take a special touch to cut and still lose money.

If VIA were to be turned over to private entrepreneurs marginal routes could once again be viable, but not as long as VIA is publicly owned. Complacency and debt endure forever. VIA Rail has exhibited no marketing strategy, business plan or a scintilla of vision in its current operation.

Supply

Talking about government funded, billion dollar, high speed, government run rail corridors ensures more of the same. Why are the Bloc and the government afraid to pass it on to those better suited and able to run a railroad?

If private investors were given annual funding to the tune of \$330 million, as VIA will receive this year, do we really think they would squander it on high salaries for their executives? Why is VIA receiving these kinds of grants and still losing money while cutting routes and service?

Speaking of management, in 1992 CN cut 10,000 jobs and lost \$1 billion. That same year CP applied for abandonment of all lines east of Sherbrooke. Just where are we going? Do we know? Eventually the Reform Party could see the government abandoning its stake in CN Rail by turning it over to private investors. Governments should no longer be in the business of directly subsidizing our national transport system.

The government is unwilling to admit its policy flaws and clings to the good old days of decades ago where throwing money at a problem was solving it. In reality we have no rail policy and a debt ridden CN Rail still at the trough.

However the Reform Party feels that government cannot simply abandon its financial stake in the transport industry without having the sense to recognize how much revision needs to be enacted to bring transport legislation into the 1990s. Present legislation harshly though unofficially penalizes the rail industry through the present federal tax structure. It behoves the government, particularly the Minister of Transport, to rewrite rail policy, clear up the anomalies, and set a strategy in place to allow investors to enter the arena with clear parameters.

To encourage and support this new policy regime, the Reform Party suggests the following measures. First, we would encourage through tax reforms and low interest loans the development of short line rail operators in regions of the country where major rail companies are no longer viable or willing to provide the amount of capital needed to recreate a viable rail transportation industry.

(1330)

Second, we would negotiate the reform of the provincial component of the property and fuel tax structure for both main and secondary rail operators to bring these costs more into line with their U.S. counterparts.

Third, we would formally recognize through federal tax reform the environmental safety and infrastructure benefits provided by rail transport as opposed to modes such as long haul trucking.

Finally, in relation to the last point, we need a thorough and fair revision in the overall taxation structure for the nation's trucking industry to bring it more fairly into line with the costs now being incurred by rail companies.

Currently the government gives with one hand and takes with the other. Since taking power last year the government has done an inadequate job of protecting Canada's rail industry. It is mired in the past with no clear vision or policy direction. Unlike the Bloc, we feel there should be less and not more public participation. Governments should set guidelines and step out of the way. Right now no one is pleased with the situation and the rail industry is suffering as a consequence.

In the 1860s we completed our rail link to the Pacific. In the late 1930s and 1940s we tied the country together in transcontinental air flight. In the 1960s we completed the trans-Canada highway system. Let not these statements of vision, courage and capacity be diminished by a lack of coherent rail policy in the 1990s.

The Acting Speaker (Mr. Kilger): I failed to ask the member for clarification at the beginning of his intervention. Is he going to be splitting his time with his colleague? He used 10 minutes and I do not know if he is subject to five minutes of questions or comments or 10.

If it is the wish of the Reform Party I will recognize the member for Lisgar—Marquette for the remaining 10 minutes. Before I recognize him there will be five minutes of questions and comments.

Mr. Jim Gouk (Kootenay West—Revelstoke, Ref.): Mr. Speaker, I have one question for the hon. member.

Some time ago a company called the Great Canadian Railtour Company in British Columbia purchased from VIA Rail, an operation known as the Rocky Mountaineer. After it was purchased, VIA Rail, a government crown corporation, then tried to go back on the deal in a number of ways: by manipulating the contract, by reinterpreting the contract and then later, trying to introduce a competitive service on an adjacent line. All of this was against the spirit if not the letter of the contract.

This would be a concern for people who may be looking at purchasing a privatized CN Rail or a portion of it. We would have to look at actions of the minister under such things as the Pearson contract.

In this situation Canadian businesses put together and signed a contract with the government which the government cancelled, as is its right. We are not questioning that right but rather the entire mechanism where the government tried to introduce legislation that would ban it from going to court seeking redress, whatever proper redress might be.

Supply

Does the hon. member think that the actions taken by the Minister of Transport with regard to the Pearson contract might impact on private companies looking to buy a portion of CN Rail or the entire operation?

Mr. Duncan: Mr. Speaker, the business community seeks many things. One of the things they seek above all else is certainty. Also, they need the ability to work in an environment where they know the rules and where those rules will allow them to clear up any conflicts, particularly through the last court of appeal which is the federal and provincial court system. That is what we call justice and is what our society is built on.

(1335)

In my view the whole question of the Pearson contract is controversial right now. It is going to create uncertainty in that sphere. The only way we will get to the bottom of it is to settle it through a public inquiry. We need to clear the air, to create fairness and transparency. That is really what we want in asking for the CN task force as well.

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I listened with intent to the member's dissertation.

I am very interested in the concept of high speed rail transportation for the Montreal-Toronto corridor because those rail systems would go through my riding. I have had some time to examine this.

One of the obvious problems is a matter of population density. It would appear in looking at similar rail systems in other countries—I think of Tokyo and of Paris—that these systems as well do not pay for themselves. We have just watched the recent unveiling of the London to Paris rail system which is encumbered with a huge debt that possibly will never be repaid.

The member spoke about privatization. I guess the question in the back of my mind is this. Is the current Canadian rail system viable as a private enterprise? If it is not viable in its entirety, then would he address breaking up the rail system into small parts and possibly abandoning the whole rail system in parts of Canada?

Is that what the member is proposing, that we break the rail system up, that if private industry decides it is not viable that we cannot get on a train in Toronto and go to British Columbia?

Mr. Duncan: Mr. Speaker, several issues were put forward. If high speed rail in this part of the world, as opposed to the west where I am from, is a very good proposal, then I would suggest that if the private sector wants to carry it out, that is fine.

It has to be recognized that government can no longer do these things. It has to be recognized that the federal government is now borrowing money from foreign lenders in order to maintain the operations of government. The country cannot afford these large projects.

Where can we go with our national rail system? We have an example of what happened in New Zealand when it privatized its railroad. The railroad went from being the least efficient in the western world to the most efficient. That changes the economics of many of the branch lines and so on. It does not necessarily mean that every remote branch line will become economical.

As a matter of policy, in a country such as Canada we are in all likelihood going to continue to want to have some of those remote lines. We can do that through incentives or through negotiation.

(1340)

Whether we are going to do this under the umbrella, whether it will be one large rail system or whether it will be broken up I suggest is more a matter of private sector economics than it is a matter of government policy, or at least it should be. It is very difficult to say which is the better way. It will be a matter of financial accident in a sense as opposed to a master strategy.

Mr. Jake E. Hoepfner (Lisgar—Marquette, Ref.): Mr. Speaker, it is a privilege and a pleasure to speak to the motion of the official opposition. I agree with their motion when it says there is a lack of action of the Liberal government. I somewhat disagree when it says there is a lack of transparency. There is a lot of transparency and I do not like what I see.

When I look at the transportation policy of the present Liberal government it reminds me very much of a continuation of the Liberal transportation policy of the seventies. I see very little difference between that transportation policy and what I have seen brought forward to the House.

In the 1970s the general Liberal philosophy was: "If it ain't working, close it. Don't try fixing it because somebody else will fix it". I remember very vividly in the 1970s the pressure that was put on for the abandonment of some of the inefficient railway branch lines. The public was forced to accept these. The communities where these branch lines were abandoned were promised at that time that money would be saved by abandoning these rail lines and that money would be put into infrastructure in the road system.

It is with great sadness that I report that we have seen none of those infrastructure improvements on the road systems. We are still waiting. When one comes to the rural communities of Manitoba these days, when one wants to drive through the countryside in the end of June after the highway department people have filled in the potholes with some more asphalt—to make sure there would not be a pothole they have put in a little extra so there is a bump—and when the restrictions come off the highways so that we can haul our regular load and farmers get to moving their grain, one will see dozens of farm trucks doing the bunny hop from one pothole bump to the next pothole bump.

Supply

We have done this now for 20 years and farmers are getting tired of this type of infrastructure. When the Liberal government proposed the new infrastructure program that is going to cost the general taxpayer about \$6 billion, among the first comments I heard from my constituents was: "Jake, make sure that we get something done to our road system. We were promised this in the seventies and we are still waiting".

It is sad, Mr. Speaker, to inform you that we are still waiting. Just recently I checked the infrastructure programs that have been approved in Manitoba. I can tell the House that the rural communities have about one-half of what Winnipeg South Centre constituency received. I do not see any elevator systems or big highways. All I see in that area are projects for new community centres, new swimming pools and that type of a sports luxury infrastructure.

It amazes me when I hear the hon. member on the Liberal side saying that we have a rail system that binds the country together. I must say to him that those rail ties, those pieces of steel do not exist any more in our communities. Those rail ties now line miles and miles of fence line holding up four strands of barbed wire or supporting the boards on a corral fence to keep the cattle separate.

(1345)

If that is what this government means by binding the country together, by abandoning more of these railways instead of making them efficient, I do not think I want that kind of unity.

The minister asked for input this morning on how to solve some of these problems. I think it was made very clear to the transport minister and also to the agriculture minister in May of this year when the subcommittee on rail car allocations suggested that the grain transportation agency should be done away with. It was causing more of a problem than a help in car allocation.

It was also suggested very strongly by every member on the subcommittee and the agriculture standing committee that we should finally do something about the backtracking. We are wasting millions of dollars by backtracking grain, disrupting the grain handling system. There is a very simple solution and I would like to read a couple of comments out of yesterday's *Quorum*:

The National Transportation Agency estimates 1.1 million tonnes of grain last year that landed in Thunder Bay was backtracked to Winnipeg, Canadian Pacific Ltd.'s gateway into the U.S. and to Fort Francis, Ont., Canadian National's link to the U.S.

These cars are being held up by backtracking and it is costing us money. It is a very simple problem to solve.

"It's ludicrous," says Tad Cawkwell, a barley grower in Nut Mountain, Sask. "You don't head north if you want to go south".

It amazes me that our railway system and our grain handling elevators decide when they get to Winnipeg instead of making a 90 degree turn into the U.S. to go south they have to go another 700 kilometres east then come back to Winnipeg and take a left turn south.

What is the result of this? The result is that roughly 13,000 hopper cars filled with Canadian wheat, barley and oats destined for the U.S. each year take a scenic route that is 1,400 kilometres longer than any direct route.

What does the agriculture minister say to a problem like this? It almost surprised me when I saw it in the paper. It really is a bit of a fluke in the system that goes back many years. It simply squanders some of the limited resources we have to overall pay the costs. Is that the type of Liberal government we have that condones that type of policy? I am surprised that we still have a transportation system at all if that is our philosophy of a good transportation system.

I was very pleased this morning when I heard the transportation minister quote a speech from Winnipeg on October 6. I would like to quote a few other stats that he brought forward in that speech. I thought he had a very good handle on what the problems really are and I thought he addressed them very well. I would like to bring them to this House this afternoon.

As he pointed out in one of the first statements, U.S. railways have higher labour productivity than Canadian railways, 64 per cent higher to be exact. The minister does know what one of the problems is. U.S. tonnes per mile are about 66 per cent higher than in Canada. Why is the government acknowledging that this is the case but is not doing anything about it?

Simply, my answer to these questions is that we have grain companies, we have railways that are lobbying very hard not to change the system because it benefits their pockets and they do not really care about what happens to the farmers' pockets. As long as the farmer grows the grain they know they have to ship it and they will continue to bleed us dry for as much as they possibly can.

(1350)

The transport minister went on to explain that this is a bleak picture, everyone shares in the problem, not just in the failure to respond to changing technology or economic conditions. Other problems were created by governments through excessive regulation and taxation, by railway management, through top heavy structures and by labour, through low productivity and complicated work rules.

When I see the GTA coming out with figures that tell us that for every month during the summer a thousand railway cars or a thousand hopper cars were put into sidings and then taken out empty, I am beginning to wonder who is really looking after the system and how qualified they are to run that system.

Supply

When the committee made the recommendation to do away with the grain transportation agency that was one of the wisest recommendations that committee has probably ever made, and it has been followed up on.

The survival of the rail industry is critical to Canada, the minister continued, but it cannot be a survival at any cost. The industry must reinvent itself. How can the industry reinvent itself when we have had increased technology over the last 30 years that never has been really used or has had any effect on increasing the efficiency of this transportation system?

How can this railway system reinvent itself when it costs the railways \$6,000 to \$7,000 more in just fuel taxes from Toronto to Vancouver than it would take for the same distance in the United States? The government needs these funds and I do not think it is willing to sacrifice them to become more efficient in the rail system. It will have to take place somehow.

What the minister means by reinventing the system is not very clear to me. That is one place where we need transparency. I do not think we can run hopper cars without wheels and make them more efficient.

The other thing I would like to stress, and it was a very important point that the minister brought forward, is that rail has more than 200 separate kinds of actions or decisions that must be approved by the National Transportation Agency. Why are those regulations there? Why has government allowed them to be put in place. It was mostly through lobbying of provincial governments, special interest groups and not by farmers I can guarantee that.

He goes on to say on the following page, and it is almost unbelievable that one would know about these things and not do anything, that in Canada the approval process for conveyance can take up to six months. In the United States approvals are granted in a few days.

I think the minister and the government do know what is happening in the transportation system and they do know what the answers or the solutions are, but the political will has not been shown. It amazes me when I see some of the provinces leading the way in some of this reregulation or deregulation of the transportation system.

Manitoba and Nova Scotia have already taken off some of the property taxes and fuel taxes to the railways to help the system become more efficient and productive. Why can the federal government not make simple legislation in this House to help along some of the provincial initiatives?

Regarding the port of Churchill, when we read about the fumbling and the bungling of the issue of Churchill it always amazes me why there is a port there at all. Here we have a salt water port that would be the envy of the world and every government since the 1970s has either tried to destroy it or

somehow put it in a light indicating that it is not effective or efficient.

I hope my input into this question is encouraging this government somewhat to take some action. Inaction is definitely there and transparency can be taken as clear or unclear.

(1355)

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, I listened with interest to my hon. colleague's speech. With some of the negotiation currently going on between CN and CP there is a possibility that CP may well take over some of CN's track system in the maritimes.

This may be a little thing but there is one thing that bothers me and I wonder if the member could comment. CP changed its logo some time ago and it shows the Canadian flag sort of unfurling and becoming the American flag. I find that very offensive.

In view of the fact that so many Canadians have subsidized and paid for the rail tracking system in the maritimes and east of Winnipeg, I wonder if the member could comment on the appropriateness of having that logo shown over the track system that Canadian taxpayers paid for.

Second, the member talked about infrastructure and the concern for roads in his area. I suggest that the infrastructure spending program and projects, although not directly related to this debate, are selected by the municipality. Therefore, I do not think it is a very fair comment by the member to criticize the federal government. He should really be talking to the municipal politicians.

Third and most important, I listened to the previous member from the Reform Party talk about privatization and I hear this member's concerns about rail abandonment. These seem to be in conflict.

I wonder if the member could explain the abandonment of rail lines in his riding where it is not economically viable.

Mr. Hoepfner: Mr. Speaker, I do not know if I can answer all the questions because I do not know if I can keep track of them.

I think the first one had to do with the logo. If I were to put a logo on the CPR, I would call it the sleepy R. I think that would appeal to every farmer in western Canada. I think it is only because of a lack of scrutiny by the previous government that the Western Grain Transportation Act was implemented which gave the railways almost a licence to print money. By having those huge subsidies they were able to expand into the U.S. which they would not have been able to do with some ordinary transportation policy.

When it comes to criticizing the infrastructure program, I just want to ask the member why the ministers on the Liberal side or the people involved with the infrastructure program under the human resources development portfolio seem to get twice the money for their constituencies than any other constituency. This

holds true in Nova Scotia and also in Manitoba. I think that should be looked at very closely as well as where that infrastructure money has gone.

With regard to abandoning rail lines, the member knows the railway is the most efficient way to move products. A lot of these rail lines could probably be repaired instead of abandoned.

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

STATEMENTS BY MEMBERS

[English]

NATIONAL ART GALLERY

Mr. Morris Bodnar (Saskatoon—Dundurn, Lib.): Mr. Speaker, recently I had the opportunity to tour the National Art Gallery. I was appalled as I toured the Canadiana section at the lack of representation of the many fine Canadian artists from western Canada, in particular Saskatchewan.

One would think that the only western artist since the dawn of Canadian art was Emily Carr. She is the only western artist who is prominently displayed in the gallery with more than one piece of art.

Great artists such as Kereluk rate only one or two representations on the walls of the gallery. Other talented artists such as Allan Sapp, Ernest Lindner, William Pehudoff, Dorothy Knowles, Rita Cowley and many other artists recognized across Canada and some around the world do not even rate one.

I am sure that Manitoba, Alberta and British Columbia also have artists who are more than worthy of being displayed.

* * *

[Translation]

TRIBUTE TO FOUR QUEBECERS

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, yesterday the Montreal chapter of the Société Saint-Jean-Baptiste honoured four Quebecers for their exceptional contribution to the culture and society of Quebec.

Mr. Paul Piché, a songwriter and signer has been awarded the title of patriot of the year.

Mrs. Myriam Bédard, who won two gold medals in biathlon at the Lillehammer Winter Olympic Games, received the Maurice-Richard Award for her excellent athletic performance.

S. O. 31

Mr. Jacques Bobet, producer, director and scriptwriter at the NFB received the André-Guérin Award for his contribution to cinema.

Finally, the poet, novelist and essayist Fernand Ouellette received the Ludger-Duvernay Award in recognition of the international dimension of his work.

The members of the Bloc Québécois wish to honour these four great figures all Quebecers are proud of.

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[English]

SAME SEX RELATIONSHIPS

Mrs. Sharon Hayes (Port Moody—Coquitlam, Ref.): Mr. Speaker, the Supreme Court of Canada is currently examining the issue of whether or not family benefits should be extended to same sex relationships under the Charter of Rights and Freedoms.

While the Supreme Court is yet to render a decision on this case, it is important to remember that all such matters should be decided by Parliament and not the courts. It is inappropriate for us as elected representatives to leave it to the courts to design social policy or for the courts to usurp parliamentary authority in these areas. This is a matter for Parliament to decide.

This would ensure that the laws of this land are established and implemented by a democratic process and not by the appointed representatives of the courts. In order to ensure that the voices of the people are truly represented in Parliament this issue must be decided by a free vote.

* * *

GUN CONTROL

Mr. Harbance Singh Dhaliwal (Vancouver South, Lib.): Mr. Speaker, I stand in the House today to once again voice my complete commitment to stricter gun control legislation.

On November 8, Dr. Gary Romalis, my constituent, was shot while eating breakfast in his kitchen. For Canadians incidents of this nature are horrifying and incomprehensible. They should not have to be endured by any society.

I implore all my colleagues to work toward more effective gun control and crime prevention measures. We must make shootings of this nature a thing of the past.

I feel deeply for Dr. Romalis and his family. I know I am joined by all members of this House in wishing him a full and speedy recovery.

I am very disturbed by the number of shootings on Canadian streets and in our homes. As the federal representative for Vancouver South, I will continue to advocate initiatives that will make our streets and homes safer.

S. O. 31

SOCIAL POLICY FORUM

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I rise in the House today to extend a note of thanks to close to 100 of my constituents who participated in my social policy forum held last week in my riding of Parry Sound—Muskoka.

The forum was held over a two day period. It brought together representatives from a wide range of social service providers and interested constituents alike. Eleven panel speakers provided diverse perspectives from organized labour, education, training, the business sector, municipal government, apprenticeship programs and family and children's services. This broad range of insight initiated group discussions to include all issues as brought forward in the discussion paper of the Minister of Human Resources Development.

I wish to extend a special note of thanks to the Parliamentary Secretary to the Minister of Human Resources Development for his active participation in my forum. His input was well received and provided a good foundation on which to base our two day discussions.

I will be providing the minister with the recommendations which came forward from my constituents to ensure that their point of view is heard.

* * *

NATIONAL YOUTH ORCHESTRA

Mr. Tony Ianno (Trinity—Spadina, Lib.): Mr. Speaker, I would like to draw attention to the success story of the National Youth Orchestra of Canada. This unique non-profit organization which is internationally recognized for the quality of its orchestral training is located in my riding of Trinity—Spadina.

Since 1960 the National Youth Orchestra has served as a training ground for young Canadian musicians in the areas of performance and musicianship.

Young musicians use this experience as a launching pad to careers with Canadian symphonies. The orchestra is composed of young Canadians from diverse backgrounds and geography coming together with a common purpose and a willingness to learn. By performing concerts across Canada these young musicians not only gain essential career training but they also gain greater insight into what Canada is all about.

The National Youth Orchestra of Canada is a microcosmic snapshot of what this country is. I would like to take this opportunity to salute the members of this important institution which helps Canadians appreciate each other by bringing us closer together.

(1405)

[Translation]

INTERNATIONAL TRADE

Mrs. Maud Debieu (Laval East, BQ): Mr. Speaker, after putting the axe to the "welfare state" the government is replacing it with the "entertainment state" as we can see from Team Canada's trip to Asia! Yet, taxpayers are served a lot of warmed-up dishes. For example, we witnessed yesterday with some surprise the "re-signing" of an agreement between Bombardier and Power Corporation to work in China, something which had already been signed in April.

I should also mention the contract for the subway in Kuala Lumpur, Malaysia, "announced" with fanfare last week when it had, in fact, been signed at the end of September. How can the government take credit for it when the cars were already under construction at the UTDC plant, in Ontario, long before Team Canada's trip? The government is hopping on the train while it is already moving!

Of course we are all pleased with the contracts signed in Asia by Canadian and Quebec companies but we denounce the fact that the government is trying to take credit for it, for purely partisan reasons. As Confucius would have said "Travellers from afar can brag with impunity".

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[English]

INTERNATIONAL MONETARY FUND AND WORLD BANK

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, a few weeks ago I attended the 50th anniversary meetings of the IMF and World Bank.

Those institutions have served the world well. However the merit of the IMF imposed discipline on borrowing governments is now seriously being questioned. The World Bank's mandate of lending to governments is obsolete.

The direct alleviation of poverty increasingly is the job of private charitable organizations. Private capital flows dwarf the resources of the two institutions and effectively guard against governmental mismanagement of the economy.

These institutions are very expensive. The recently retired Canadian director of the World Bank earned an effective annual salary in excess of \$350,000.

I urge the Government of Canada to take a tough stand on the future of these institutions at the next G-7 meeting in Halifax in March. A good case can be made that their job is done—

S. O. 31

The Speaker: The hon. member for Saint John.

* * *

VIA RAIL

Mrs. Elsie Wayne (Saint John, PC): Mr. Speaker, on December 15 full VIA Rail service to my city of Saint John will be discontinued.

Recently VIA Rail launched a promotional campaign aimed at getting people to take the train over the next few months. Homes in Saint John received an envelope in the mail from the rail company offering special discounts on adult fares. As well, a 25 per cent discount was offered when travelling between December 15 and January 5.

This new marketing campaign is very confusing to my constituents. VIA announced the termination of VIA Atlantic as of December 15 but announced a discount for travelling between December 15 and January 5. Does this make sense? How is one supposed to get a discount when there is no train? Apparently the discount was not meant for the citizens of Saint John.

I urge the Minister of Transport to provide the citizens of Saint John with a dayliner so they too can take advantage of the great savings offered by VIA. I appeal to the minister to save our train.

* * *

TEAM CANADA

Mr. Jesse Flis (Parkdale—High Park, Lib.): Mr. Speaker, I am sure all members of the House will join me in congratulating Team Canada on its unprecedented success in landing big business opportunities for Canadians in the Pacific rim.

The latest success comes as the Prime Minister secured a place for Canada in APEC, the forum on Asia-Pacific Economic Co-operation which will give us privileged access to the fastest growing trade markets in the world.

Team Canada includes leaders in business and government from all parts of Canada. Its success is proof that a team effort is far more effective than any province or territory on its own.

When the special joint committee reviewing Canadian foreign policy tables its report later this afternoon members will learn that foreign affairs are becoming less and less the exclusive concern of the federal government and more and more a Team Canada effort.

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ADDICTION AWARENESS

Ms. Hedy Fry (Vancouver Centre, Lib.): Mr. Speaker, I stand today to recognize Drug Awareness Week and National Addictions Awareness Week.

As an MP from a major downtown urban riding and a physician I have seen firsthand the destructive potential of addictions. I encourage all Canadians to get involved in activities in their communities to promote understanding and raise awareness of substance abuse.

With funding from Canada's drug strategy, community action projects have worked at the ground level and assisted in finding local solutions to local problems. This gives all Canadians an opportunity to learn as much as possible about the problem of substance abuse. I urge everyone to please join now.

* * *

(1410)

TOURISM

Mr. Dennis J. Mills (Broadview—Greenwood, Lib.): Mr. Speaker, earlier this month the Minister of Industry along with eight provincial ministers of tourism and 20 senior members of Canada's tourism industry undertook a nine day mission to Japan. The visit included participation in the first World Conference of Tourism Ministers in Osaka and the second Canada-Japan Tourism Conference in Minabe.

At the Canada-Japan conference the minister presented the Canadian response to Japan's tourism challenge, calling for co-operative efforts to triple the number of Japanese visiting Canada annually. With input from a broad cross-section of tourism stakeholders, the response represents the kind of collaborative effort that will be a cornerstone of our tourism success in the years ahead.

We look forward to the successful implementation of this undertaking. It would result in an estimated \$1 billion of additional revenue for Canada each year. It would create more than 20,000 new jobs for young people entering the workforce for the first time and for those re-entering the workforce.

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[Translation]

MIL DAVIE SHIPYARD

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, we learned today that the MIL Davie shipyard in Lévis will lay off another 300 employees this Friday, so there will be only 400 workers left there.

The federal government is the one to blame for these layoffs. Its failure to act on the issue of the Magdalen Islands ferry clearly shows its lack of sensitivity with regards to unemployment in Quebec.

The Minister of Transport even delights in creating confusion about the case. We no longer know who is really in charge, him or the Minister of Industry. In 1986, the federal government told the Quebec shipyard industry to get its things in order, which was done. There is only one large shipyard left in Quebec. It is now Ottawa's turn to make an effort to ensure the survival and

Oral Questions

development of MIL Davie, as it committed to do in the last election campaign.

(1415)

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[English]

ATLANTIC CANADA OPPORTUNITIES AGENCY

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the Liberal government is spending your money just like the Conservatives did. For example, let us take the Atlantic Canada Opportunities Agency grant for \$22,300 to study blueberry jelly.

In a simple inexpensive effort to look at this grant I contacted an expert inventor in the field of jelly making, my mom. At no cost to the taxpayer my mom says: "Wash those blueberries thoroughly, son. Add water and cook slowly until tender. Drain through a cheesecloth. Boil rapidly for five minutes. Measure juice and add an equal amount of sugar. Boil rapidly until mixture gels".

Somehow allowing the Liberals to spend \$22,300 on nonsense like this has to stop. Where is the idea going to gel in the mind of the government that throwing away money like this is a recipe for disaster?

Our debt is growing faster than blueberries on a bush at \$538,307,766,417.60.

* * *

POST-SECONDARY EDUCATION

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, in its green book on social security reform the Liberal government told us we needed to give more Canadians access to higher education. In the same breath it proposed that the current generation of students would have to pay much higher tuition fees than their parents did.

This is like Walmart trying to win new customers by raising its prices. What the Liberals are really saying is that they want to turn Canadian universities and colleges into Holt Renfrews with most students reduced to fantasizing about what it would be like to actually be able to afford to go to such an elite institution.

The Liberals now like to parrot the Reform Party's slogan that we must cut the deficit so that we do not mortgage our children's future. However to ask today's students to pay dramatically higher tuition fees and at the same time as future taxpayers to pay off the debt accumulated by previous generations would have exactly the opposite effect.

The students who have to borrow to pay for the increased tuition fees will emerge with their own personal education mortgage before they even look at a house. They will still be paying off the mortgage of previous generations, the public debt.

EDUCATION

Mr. Harold Culbert (Carleton—Charlotte, Lib.): Mr. Speaker, this evening, November 15, 1994, a banquet will be held at the New Brunswick Community College at Woodstock campus with guest speaker Mike Duffy to honour the facility's 10th anniversary. Not only is it the 10th anniversary of this new facility, but it is also the 75th anniversary of vocational training and education in the region, which began at the Carleton County Vocational School some 75 years ago.

This type of community based education and training has been successful over the past 75 years and never was it more important than it is today. With the competition around the world it is imperative that community colleges continue to be a significant part of our education system.

I take this opportunity to congratulate the anniversary committee, the administration staff, students, all those who made this facility possible, as well as those who have continued its success over the years.

ORAL QUESTION PERIOD

[Translation]

COLLÈGE MILITAIRE ROYAL DE SAINT-JEAN

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, after rejecting Quebec's proposal to maintain the military role of the Collège de Saint-Jean, the federal government has now been approached by the new mayor of Saint-Jean who suggested a moratorium of three years on the decision to close the college.

My question is directed to the Minister of Intergovernmental Affairs. Since a moratorium would have the advantage of allowing discussions among the parties to continue, does the minister not think he should agree to the request made by the mayor of Saint-Jean?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, there are two things we should remember. First, keeping the Collège de Saint-Jean open unnecessarily will cost taxpayers \$23 million annually. This means that three years will cost taxpayers nearly \$70 million.

Mr. Plamondon: That is not true!

Mr. Massé: Second, we now have an agreement with the Government of Quebec to keep the Collège de Saint-Jean open as a civilian institution. That is the agreement we have now and the agreement we want to implement.

*Oral Questions***MIL DAVIE SHIPYARD**

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, the minister knows that existing facilities at Kingston cannot absorb an increase in the number of cadets from 600 to 1,200, which will be the case as a result of closing the colleges at Saint-Jean and Victoria.

Why does he fail to see there is much to be said for agreeing to the moratorium proposed by the mayor of Saint-Jean?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, according to the plans that have already been made to accommodate 300 additional students in Kingston, we can use the barracks at CFB Kingston that are now vacant, so that the cost is minimal, and three years from now, we will be back to 900 students.

Consequently, in the circumstances it makes sense to concentrate students in Kingston. Since the army has been downsized, we no longer need three colleges, and we should now use all the resources available at the college in Kingston, which is the only one we need.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, I think there is a clear pattern in the federal government's concept of the kind of educational institution that should be made available to francophones in Kingston. It means barracks for the francophone cadets who will leave Saint-Jean and barracks and washrooms across the street for students at the Marie-Rivier school. It is a pattern we certainly do not appreciate.

Before we reach the point of no return, I want to ask the minister whether he agrees he should show some flexibility and take this opportunity to declare a moratorium of at least one year. Does he realize that many people in Quebec and Canada expect him to accept the truce proposed by the Official Opposition today and take the time to start a constructive dialogue with the parties concerned?

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Mr. Speaker, the Leader of the Opposition is right to say it is time for a truce, for common sense and compromise. Well, we already have a compromise. We reached a compromise with the Government of Quebec. We have an agreement that provides for some military presence on the campus of Saint-Jean and for the continuation of the Collège de Saint-Jean.

(1420)

Here is the agreement. It was signed by Daniel Johnson, the Premier of Quebec at the time. We have an agreement, and I suggest the opposition let us implement that agreement.

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, while the government is still in the process of making up its mind in the matter of the construction of the Magdalen Islands ferry, it was announced that 300 MIL Davie workers will be laid off on Friday. These 300 workers will join the ranks of the 200 who were recently laid off. It should be pointed out that, in 1992, the shipyard employed over 3,700 workers; by Christmas, only 400 will be left.

Does the Minister of Transport recognize that with the laying-off of an additional 300 workers, it becomes urgent for the government to make up its mind if the last major shipyard in Quebec is to survive?

[English]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the hon. member again today tries to imply that there is only one aspect to the problems facing the MIL Davie shipyard, that being whether or not it can acquire a contract to construct a ferry.

If the member would do his homework he would realize that contingent upon approval of a business plan by the shareholder of MIL Davie and contingent upon the co-operation of the labour unions at MIL Davie possibly some transition contracts might be helpful but not necessarily so.

To try to focus the future of MIL Davie on one contract demonstrates a very weak understanding of the complexity of the problems facing that shipyard.

[Translation]

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, how can the Minister of Industry hide behind the MIL Davie business plan to justify his lack of action when the Quebec government is asking him, in writing, to become financially involved in the construction of the Magdalen Islands ferry?

[English]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I fail to understand the rationale for a member, an elected representative of the House of Commons and thereby shared trustee of the public's moneys, saying that we are hiding behind the requirement of a business plan before investing public money in a private enterprise which is owned by a shareholder, that is the Government of Quebec.

Let us get realistic about where the solutions lie for this company and other companies that face the problems of adjusting to the changes occurring in the world. That company like others will survive because it becomes competitive and because

Oral Questions

it produces a product the world is willing to buy, not because somebody hands out a contract to tide it over.

Let us address the real problems and then maybe we can find real solutions.

* * *

IMMIGRATION AND REFUGEE BOARD

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, from all accounts members of the Immigration and Refugee Board can be divided into at least two camps: the Tory appointments led by the chair of the committee, Ms. Mawani, and the Liberal appointments headed by the minister's friend, Mr. Schelew.

Documents have been leaked; confidential conversations have been released; and the Privacy Act has been thrown out the window. All this turmoil at the IRB is the result of an appointment system rife with patronage and political infighting.

My question is for the minister. Will the minister now admit that the IRB should be completely freed from political patronage? Will he establish a more credible process for dealing with immigrant and refugee applications?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, our government has indeed made a lot of appointments with credibility, with experience and with integrity, to the point where the press secretary to the leader of the Reform Party was quoted as saying in *The Toronto Star* earlier this year: "A lot of Canadians will be pleased to see this point on appointments is a promise from the election that has been kept, to make appointments on merit rather than on political connections".

(1425)

The system however is far from perfect. We have suggested a number of reforms that are currently before the agency and program review process headed by the Minister of Intergovernmental Affairs. If the Leader of the Opposition has further recommendations we would be pleased to hear them.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, let us discuss one particular appointment then. The minister's friend, Mr. Schelew, is accused of bullying board members into making decisions which were against their best judgment. Then when an investigation is proposed he attempts to influence his accusers with information released by the minister's own department.

Surely this is grounds for the dismissal of this particular appointee. Will the minister now ask for his friend's resignation,

or does he condone this type of behaviour on behalf of his own appointees?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, we are being absolutely open in following the process. When I received the allegations I did not cover them up; I did not hide. I gave them to the chair of the refugee board and asked her to review them appropriately.

I am now in receipt of a report given to me by the chair recommending a certain course. I have requested and obtained a response from the deputy chair to those recommendations. Before the end of the week we will make a decision based on the facts and what is appropriate.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, there are problems with the application of the Privacy Act in the minister's own office.

Yesterday the justice minister said that he could not release the details of his official's advice to the minister of immigration on the Schelew affair because: "It is not the practice of the Department of Justice to disclose publicly the advice that it gives to client departments". It seems however that the immigration department practice is to release confidential advice at the drop of a hat, especially when the hat belongs to the minister's friend.

I ask the Minister of Justice: Are there two standards of privacy in the country; one for the protection of ministers of the crown and another for the protection of ordinary Canadian citizens?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I simply reject out of hand the inflammatory, biased and unsubstantiated allegations that the member opposite has just made.

The names were released by a justice lawyer to the lawyer of the deputy chair. Advice was sought from the legal branch of the Department of Justice. That advice was received and the action was in full accordance with the law.

* * *

[Translation]

SHIPYARDS

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, my question is for the Minister of Industry.

In 1986, the federal government asked Quebec to rationalize its shipyard activities. Ninety per cent of the rationalization of shipyards in Canada has taken place in Quebec, with 1,700 jobs lost when Versatile Vickers in Montreal and Marine Industries in Sorel closed down.

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Are we to interpret Ottawa's failure to act on the issue of a ferry for the islands as a wish to finish the job started in the 1980s and to deliberately bring about the closing of the last great shipyard in Quebec?

[English]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I would like to hear from the Bloc Québécois just exactly what plans the shareholder of MIL Davie has for its shipyards. I can tell him that I have been working both with Mr. Véronneau, president of MIL Davie, as well as with the previous government to find a solution to the problems confronting MIL Davie.

They will not be solved, as I said to the previous questioner, by simply finding one contract to give on one day. If that were the solution for this company's problems they would have been solved long ago because there has been a series of contracts awarded to that company.

The challenge for MIL Davie, as with much of the rest of the Canadian manufacturing sector, is to become competitive in a world in which manufacturing, particularly of ships, is global. The Canadian domestic market is not large enough to support a shipyard by itself and therefore they must be competitive.

(1430)

If we can address that challenge we will succeed both at MIL Davie and elsewhere. That is the fundamental challenge and it will not be simply solved by awarding a single contract.

[Translation]

Mr. Yves Rocheleau (Trois-Rivières, BQ): Mr. Speaker, a supplementary question. If we follow the minister's logic, he has just announced the closure of MIL Davie. My supplementary question is for the Minister of Transport. Are we to understand that the Minister of Transport has recently decided to transfer the question of the ferry to his colleague, the Minister of Industry, in an attempt to cover up his strategy of closing MIL Davie to the benefit of St. John Shipbuilding in his province?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, we have been trying for several months now to explain to the opposition members that the situation regarding the ferry between the Magdalen Islands and Prince Edward Island must be worked out between Transport Canada and the operator of the service, who receives an annual subsidy to provide ferry services to those wishing to use them.

As far as MIL Davie and the construction of a ship is concerned, this is related to industry, to the creation of jobs in Quebec. The difference between the two issues is easily understood. I hope that with time, possibly in a year or two, the distinction will become clear to my hon. colleagues from the Bloc.

[English]

IMMIGRATION AND REFUGEE BOARD

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the minister of immigration promised that he would decide what to do with his friend Mr. Schelew no later than yesterday. Yesterday passed and no action was taken apart from the release of the names of the accusers to Mr. Schelew.

This minister has known about the situation since September. Has the minister delayed taking action for so long in order to give Schelew an opportunity to persuade board members to drop their complaints?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, the short answer is absolutely not.

I requested the deputy chair to respond to the chair's report. I received that response in my office late Thursday. I read the response only late Friday night.

I made no such promises that any decision would be made by Monday. I have the report of the chair and an extensive response to that report. I am reflecting and taking advice carefully and will be making a decision by the end of the week.

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the confidential report made against Schelew chronicles months of intimidation and veiled threats, references to a friendship between the minister and Schelew, Schelew telling members to ignore lies that refugee claimants tell because "everybody lies".

This minister has let Tory appointees like Greg Fyffe go from the board for no reason at all. Why has he chosen to protect Schelew at the expense of individual board members and the integrity of the entire refugee process?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, rather than addressing the facts of the matter this member prefers to politically exploit this situation.

I say to the member once again that I asked for the review by the chair and she has given me her report. I have asked through a lawyer of justice for the deputy chair to respond to the recommendation and the appropriateness.

I have been seized of both those documents. I am reflecting on the evidence contained in both and then we will make a decision. It is as simple as that. I am sorry to disappoint the member but it is very simple, very straightforward and no one is hiding anything.

*Oral Questions**[Translation]***EAST TIMOR**

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs. East Timor has been occupied by Indonesia since 1975. About 200,000 people are believed to have died following the repression that is still plaguing that country. In 1991, the current Prime Minister asked Canada to press for the implementation of United Nations resolutions demanding that Indonesia withdraw from Timor.

How can the Minister of Foreign Affairs explain the Prime Minister's silence on this issue during his trip to Indonesia?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I am pleased to inform the hon. member that, in fact, the matter of East Timor was the subject of discussions between President Suharto and Prime Minister Chrétien.

(1435)

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, as the minister probably knows, according to Amnesty International, every day in East Timor people are oppressed, beaten and even killed. Can the minister tell us how the Prime Minister, who is now in Indonesia, can go back on his past commitments and miss such a great opportunity to advance the cause of human rights?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I think that the hon. member's comments are totally unfounded. In fact, during his visit to Indonesia, the Prime Minister announced that the Government of Canada, through the Canadian International Development Agency, would finance a project with Care Canada to help the people of East Timor.

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*[English]***HEALTH CARE**

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, the health minister has recently hammered Alberta for private health clinics and their facility fees. Could the minister please tell us how the facility fees in Alberta are different from facility fees elsewhere in Canada?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I thank the hon. member for his question.

The Canada Health Act states a province must provide for insured health services on uniform terms and conditions and on a basis that does not impede or preclude either directly or indirectly, whether by charges made to insured persons or otherwise, reasonable access to those services.

Some of these clinics get public funds because the physician fees are paid. Therefore access is precluded or is impeded for certain people because they cannot afford to pay the facility fees.

That is a very big concern of this government. We do not want a medicare system which benefits the healthy and the wealthy at the expense of the sick and the ordinary Canadian.

Mr. Grant Hill (Macleod, Ref.): Mr. Speaker, private clinics everywhere in Canada operate on this principle. For instance, Medclub Montreal conducts executive health exams exactly this way. Abortion clinics in seven provinces charge facility fees between \$200 and \$500 paid privately, the doctor's fee paid publicly.

How can there be one set of rules for Alberta and another set of rules for everyone else? Good luck.

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, facility fees concern me wherever they are charged when there are public dollars involved. The objective of this government is to maintain a system which has served this country very well.

Average Canadians elected us to safeguard that system and that is what we are going to do, that is what we are doing.

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*[Translation]***UNEMPLOYMENT INSURANCE**

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development. Yesterday, the minister repeated that he intends to turn short-term employees into second-class unemployed who would receive reduced benefits, based on their family income, or even no benefits at all in some cases.

How can the minister consider forcing workers to pay unemployment insurance premiums only to deprive them of their benefits afterwards?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as the hon. member knows, all we released yesterday was a technical paper. I would remind the hon. member that her leader in the opening debate on social reform was in some high dudgeon demanding that we provide technical information as to what the various impacts of different proposals would be.

We have now supplied that. I suppose when we supplied it we found that the Bloc Québécois did not like the look of that information.

They are simply facts. They are simply information. We know the Bloc Québécois does not like to deal with the facts. We see

that evidenced every day in the House but those are the facts and I would ask the hon. member to look carefully at what they mean and the implications of them.

(1440)

[Translation]

Mrs. Christiane Gagnon (Québec, BQ): Mr. Speaker, does the minister realize that he is once again jeopardizing the financial independence women worked so hard to achieve, by proposing that family income be assessed before eligibility for unemployment insurance benefits is determined?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, in my province of Manitoba if we look at the analysis that has been done there are over 600 frequent users of unemployment insurance who have incomes of over \$75,000.

There are a lot of working people who are paying hard earned premiums to pay for those kinds of unnecessary requirements and we are simply asking Canadians whether they think that is fair. Do they think it is fair that people who are raising incomes of over \$100,000 should be receiving full benefits when somebody who is making \$15,000 or \$20,000 is paying the premiums for them? Does the hon. member think that is fair?

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GUN CONTROL

Mr. Jim Jordan (Leeds—Grenville, Lib.): Mr. Speaker, my question is for the Minister of Justice. It concerns the proposed new gun control legislation.

Although it means a slight invasion of my privacy I am prepared to register my guns if I am required to do so. However, a high registration fee will reduce the level of co-operation and the level of compliance that the minister will need if he is going to implement this legislation.

Can the minister give me assurance that if there is a requirement for gun registration it would be at a very minimal cost to the owner?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, as my hon. colleague knows, we are even now preparing proposals to bring before the House within the coming weeks in relation to firearms.

Should the decision be to proceed with a system of registration it will only be on the basis that such a system can be established through a reasonable outlay of capital costs, that such a system will be reliable in terms of storing and retrieving information and that such a system would involve an expense to

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the firearm owner that was reasonable. My friend used the word minimal and that is precisely what we would aim to achieve.

* * *

MEMBERS OF PARLIAMENT

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Mr. Speaker, the Minister of Finance repeatedly asks for ways to cut the deficit. We have been giving numerous suggestions over the years to reduce government spending and here is another one.

Will the Deputy Prime Minister show leadership and take action now before November 21 to reform the unbelievably rich MP pension plan?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the Prime Minister has already told the House that he intends to have a package before the House before the end of this year.

Mr. Cliff Breitkreuz (Yellowhead, Ref.): Mr. Speaker, I ask the Deputy Prime Minister: when, when?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, I think I answered the question: soon, soon, soon.

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[Translation]

PATENT DRUGS

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, my question is for the Minister of Health. Yesterday, I asked the minister what her position is regarding the revision of Bill C-91 on the protection of patent drugs, but she let the Minister of Industry sweet-talk us and repeat that Bill C-91 contains a review provision which will come into effect at a given time.

What we want to know of the minister who is still responsible for health is whether she is in favour of the existing protection for patent drugs or whether she advocates a change in regulations as several of her Ontario colleagues do. We want to know what she thinks as Minister of Health.

(1445)

[English]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, members of the Bloc Québécois seem to have trouble understanding that in the division of ministerial responsibility some of us take responsibilities where they lie.

In the case of patent legislation it lies with the Department of Industry. If they wish to direct questions to the government concerning patent law they will get answers from me. I hope, as the questioner indicated, I will prove to be as consistent in my answers as she alleges I have been.

*Oral Questions**[Translation]*

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, obviously, the Minister of Health was instructed not to make her position known, but I want to remind her that she cannot negate her responsibility concerning the certification of new drugs.

Does the minister realize that her refusal to take position on the issue of patent drugs intensifies the climate of uncertainty and implicitly encourages those who do not want protection for new drugs.

[English]

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, perhaps a brief lesson in constitutional law would be in order.

As the members of the Bloc will understand we have a position as a government. This is unlike the Bloc, which does not seem to have a position at all.

If I understand what the critic for health of the Bloc Quebecois is saying, she wants a change. She is talking about the costs of health care. I would like to understand exactly what her position is on this issue. If she wants to get up and state what it is I will be happy to hear from her on it.

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FOREST INDUSTRY

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, my question is for the Minister of Foreign Affairs. During the past year both the federal government and the province of B.C. have been spending money in Europe to defend Canadian logging practices.

At the same time and completely opposite to the previously mentioned programs, the minister's department has been funding, through CIDA, Canadian environmental groups that actively discredit B.C. logging practices in North America and in Europe.

Why is the government funding groups whose main purpose is to deliberately undermine the Canadian forest industry?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I want to say to the hon. member that this is a legitimate question. I will inquire immediately and find out if his allegations are correct.

If they are I assure him that we will stop any funding of this kind.

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THE ENVIRONMENT

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, my question is for the Minister of Fisheries and Oceans. In 1990 the government of the day promised a discussion paper following which an oceans act would be introduced in the House. Neither the discussion paper nor the bill saw the light of day.

The proposed act would protect the quality of Canada's coastal waters and oceans. In view of the importance of three oceans to Canada's well-being I would like to ask the minister if he can indicate to us whether an oceans act will be introduced in the House?

Hon. Brian Tobin (Minister of Fisheries and Oceans, Lib.): Mr. Speaker, I want to thank the member for his question. The member for Davenport is deservedly well known as one of the strongest environmental voices in the country today.

I am pleased to say to the member that the government will move forward on the recommendation of the NABST report on an oceans act. It is our intention to release as early as tomorrow a public discussion document entitled "A Vision for Ocean Management" so we can hear from coastal people and all of those concerned about the health of our oceans.

As quickly as we can make it happen and as efficiently as is appropriate we will move forward with legislation setting out a new oceans act for Canada.

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(1450)

*[Translation]***ARMS EMBARGO IN FORMER YUGOSLAVIA**

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, my question is for the Minister of Foreign Affairs. The United States' decision to no longer participate in the control of the arms embargo in the former Yugoslavia provoked strong reactions among the allies, creating division within NATO and member countries of the former Yugoslavia contact group. The NATO Council, which met in Brussels this morning, insists on solidarity within the alliance.

Can the minister tell us what Canada's position is regarding the embargo in the former Yugoslavia?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I can assure the member that Canada continues to believe that it is very important to maintain the arms embargo in the former Yugoslavia. The United States' decision does not jeopardize this effort, since other countries, particularly those which have troops in the area, will be able to effectively maintain the embargo.

Mr. Jean-Marc Jacob (Charlesbourg, BQ): Mr. Speaker, can the minister tell us if he will reconsider Canada's participation in the UN mission in the former Yugoslavia in the event that the United States stands by this decision?

Hon. André Ouellet (Minister of Foreign Affairs, Lib.): Mr. Speaker, I just told the member that the United States' decision does not jeopardize the arms embargo. However, Canada has already indicated, through the Prime Minister, that we would withdraw our troops if the United Nations decided to

Oral Questions

lift the arms embargo, and other countries have said the same thing.

France and Great Britain, which have the largest numbers of troops participating with us in the peacekeeping mission in the former Yugoslavia, have expressed the same opinion. But, for the moment, we think that this embargo can be maintained and that there can be effective controls to ensure that the United Nations mission is not threatened.

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[English]

GUN CONTROL

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, last weekend the justice minister again expressed his desire for the universal registration of firearms in Canada.

Will the minister acknowledge that since the introduction of the universal registration of hand guns in the country, the criminal misuse of hand guns has actually increased? Will he acknowledge this irony?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, yes, but if I may say so, I do not believe that response leads logically to the conclusion there is not a good case for registering all firearms in Canada.

May I point out that the increased use of hand guns for criminal purposes in recent years has for the most part first, been in urban centres, and second, been because of smuggled illegal hand guns.

The proposal we will bring forward will deal, among other things, with preventing illegal firearms from coming into Canada. We will never do it perfectly but we can improve what we are doing.

Second and very briefly on the subject of registering long guns, it should be borne in mind that in rural areas the fatality rate for firearms is higher than in urban areas and primarily derives from the use of long guns, not hand guns.

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, the justice minister makes our case. The emphasis should be on controlling smuggling and that type of thing.

Professor Gary Mauser of Simon Fraser University has released a report estimating that universal firearms registration in Canada will cost a minimum of half a billion dollars and could be as high as a billion dollars.

Given the failure of present registration programs to stem crime and the disastrous fiscal situation of the country, how can the minister justify even considering this major new spending initiative?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, should the government commit itself to a universal registration system, the second thing I will do after announcing it in the House would be to mail to that person at Simon Fraser a copy of the analysis we have of cost.

We would never undertake a registration system that cost anything like those amounts of money.

(1455)

In any event, if the government decides on a registration system it will be because our fundamental purpose is to enhance public safety in the country.

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GRAIN TRANSPORTATION

Mr. Len Taylor (The Battlefords—Meadow Lake, NDP): Mr. Speaker, I would like to ask about a number of contradictions which surround the government's position on grain transportation subsidies.

The Minister for International Trade says that the Crow benefit should go and the sooner the better. The Minister of Transport says he wants his department to cut the subsidy and last week his deputy minister said: "As far as the Crow is concerned, the government has to move in some other direction". Even the minister of agriculture acknowledged that cuts must be made but he keeps giving the public signals that he is the defender of the Crow in cabinet.

My question for the Minister of Agriculture and Agri-Food is this. Is he defending the Crow benefit from attack? Is he prepared today to clear the air and let prairie farmers know that it is the federal government's intention to keep grain moving by rail by ensuring that the Crow benefit remains—

The Speaker: The hon. minister of agriculture.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.): Mr. Speaker, I dealt with that subject at some length in a speech I delivered last week at the annual convention of the United Grain Growers in Calgary. In order to save time, I will be happy to send the hon. member a copy of my speech.

I will tell him what is happening at the present time. As the Minister of Transport and I committed some months ago, we are presently engaged in a final round of discussions with farmers and farm organizations about future reform measures affecting the WGTA. Indeed, later today I will have the opportunity to discuss that subject with the prairie ministers of agriculture. Over the course of the next couple of months the Minister of Transport and I will be canvassing all of the major farm organizations in the country.

Our objective is to finalize the government's position with respect to the WGTA so that we might present recommendations to our cabinet colleagues early in the new year.

*Routine Proceedings***EDUCATION**

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, in the close to 100 town hall meetings held by MPs across the country in the last few weeks, students have been very involved participants. They are interested, prepared to debate and know the status quo is not an option. Many of them have said to me that they need better school-to-work transition, better access to training in the workplace and fairer student loan repayment schemes.

I ask the Minister of Human Resources Development what concrete initiatives he is taking that can point to a post-secondary education system that will really respond to today's student needs?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I thank the hon. member for her question.

One thing I would like to point out to the hon. member and all members is that just today at a meeting of the 15 sector councils that are business-labour partnerships, I signed two new agreements in horticulture and tourism which will provide new school-to-work internships for over 1,000 students, one for people in rural communities and the other will concentrate on training for aboriginal tourism interns.

What is important about this is that the total cost of the project is \$18 million. The federal contribution is only \$5 million which shows that because of the partnerships we are able to have a two to one arrangement. It shows that the basic thesis that we can do more for less and provide better training and educational opportunities to our young people is already coming true.

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[Translation]

GUN CONTROL

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, last week end, the Minister of Justice declared that he intended to present a bill to tighten gun control in Canada.

Does the Minister of Justice undertake to simplify the regulations on the storage, display and transportation of firearms and to make them coherent so that ordinary people can finally understand and comply with them?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I can say that the proposals will deal with those issues. We will make every effort to simplify. I well understand that the challenge we face is to make Canadians understand and comply with safe storage requirements.

A very important inquest is going on in Quebec right now in which a coroner is examining, I think, a dozen deaths to find out the connection between the safe storage of firearms and suicide, among other things.

I am aware of that need. We will make every effort in the proposals to make those requirements better understood and more readily enforced.

* * *

(1500)

HEALTH CARE

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, the Minister of Health did not explain earlier why she is following a discriminatory practice regarding facility fees. Why is she threatening Alberta clinics while exactly the same practices are being carried out in other provinces?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I am pleased to be able to clarify my words. Let me remind the House that at the last meeting of federal-provincial ministers in Halifax nine provinces agreed to put forward legislation to address the problems faced by clinics. The exception was Alberta. We are awaiting a response from Alberta. I have said it before and I will say it again that this government has been patient but it is rapidly losing patience.

The Speaker: My colleagues, pursuant to an order made on November 14 we will now revert to presenting reports from committees.

ROUTINE PROCEEDINGS

[Translation]

COMMITTEES OF THE HOUSE

REVIEW OF CANADIAN FOREIGN POLICY

Mr. Jean-Robert Gauthier (Ottawa-Vanier, Lib.): Mr. Speaker, I have the honour to present, in both official languages, the report of the Special Joint Committee on Reviewing Canadian Foreign Policy.

In accordance with the order of reference, our report addresses the changes occurring in the world today and their impact on Canada. We all can see that Marshall McLuhan's global village is becoming more and more of a reality for Canadians. That reality has an impact on their security, their jobs and their well-being. The whole world is affected. Therefore, Canada's foreign policy is a domestic policy and our domestic policy is a foreign policy.

Some people would say these changes cause upheaval in interests and fundamental values and that Canadians today are then faced with significant challenges. Our report contains conclusions and recommendations on the principles and priorities that should guide our foreign policy.

In fact, our report suggests a new agenda for what is left of this decade and for the beginning of the 21st century.

[*English*]

The new agenda we propose reflects the deep rooted values that Canadians want to see expressed in their foreign policy and the need to make strategic choices. In fact selectivity and criteria for selection are features of the report.

The agenda includes: reform of the major international institutions of global governance, such as the United Nations and the international financial institutions to make them more effective, more transparent, more representative and more accountable; expanding our concept of security to include non-military factors and a greater specialization of the armed forces to better support peacekeeping operations; and promoting a rules based multilateral trade system and a Team Canada approach to trade development and foreign policy in general.

The agenda also includes: a greater emphasis on the promotion of Canadian culture and learning as a fundamental dimension of foreign policy; a strategy for managing the complex relationship with the United States of America, including better use of the multinational mechanisms; and a reformed foreign aid program designed to target assistance more effectively to meet human development priorities.

Finally the agenda includes: strengthening foreign policy linkages with sustainable development and human rights; and continuing the democratization of Canadian foreign policy through dialogue and education.

[*Translation*]

I would like to thank the 500 witnesses who presented evidence to the committee during the last seven months and all those who sent briefs and proposals. We received approximately 560 briefs. I would also like to thank the members of the team: the clerks and their personnel, the research assistants and all those who co-operated with us and gave us such a tremendous support.

(1505)

On my own behalf, I would like to pay tribute to my colleagues of this House and of the Senate who worked hard to produce what I consider to be an excellent report.

The committee members were all struck at the commitment of Canadians towards the very simple principle that we should build a better world. This report testifies of the fact that when working together and in unity, Canadians can make a very unique contribution.

Pursuant to Standing Order 109, Mr. Speaker, the committee asks the government to present a comprehensive response to this report.

Privilege

Mr. Stéphane Bergeron (Verchères, B.Q.): Mr. Speaker, I have the honour today to associate myself with the tabling of the report of the Special Joint Committee on Reviewing Canada's Foreign Policy, especially the tabling of the dissenting report by the Bloc Québécois members on the committee.

Throughout the proceedings, committee members honestly tried to offer an innovative vision of what Canada's new foreign policy could be. For that, I want to thank and congratulate them wholeheartedly.

I would also like to join my colleague for Ottawa—Vanier, the joint chairman of the committee, in thanking all those who contributed in one way or another to the preparation of the report, especially all the Canadians and Quebecers who made the effort to appear before the committee or send in a brief.

However, in spite of everybody's good will, the majority report is based on an interpretation of the international situation we cannot accept. The Bloc Québécois's dissenting report highlights the aberrations and the shortcomings of the majority report, offering alternatives which, we believe, are closer to what a foreign policy that would be both progressive and realistic should be.

We especially fault the government for not taking into account such fundamental issues as nationalism, the emergence of new states and the recent arrival on the international scene of many new actors.

We also deplore the lack of clear guidelines regarding foreign aid, the interference in Quebec's areas of jurisdiction, especially education and culture, and their impact on the international level.

Finally, we find the lack of a chapter dealing specifically with human rights inexplicable. Moreover, we cannot endorse the unjustified mistrust of the majority report for our main partner, the United States.

Therefore, Mr. Speaker, I bring this report to your attention, hoping that the government will find it highly instructive.

* * *

[*English*]

PRIVILEGE

SPECIAL JOINT COMMITTEE REVIEWING CANADA'S FOREIGN POLICY

Mr. Bob Mills (Red Deer, Ref.): Mr. Speaker, I rise today on a question of privilege.

I am rising with regard to the premature release of the report of the Special Joint Committee Reviewing Canada's Foreign Policy. It is my understanding that this report which has just been tabled has been in the hands of the media for almost one week. It has been the subject of extensive coverage and some articles even contain comments from members of the standing committee itself. Since this article was published in the French

Privilege

language press on November 10 I have been contacted by several members of the media asking for my comments as well.

Citation 877(1) of Beauchesne's sixth edition states:

No act done at any committee should be divulged before it has been reported to the House.

It goes on to say:

"—the evidence taken by any select committee of this House and the documents presented to such committee and which have not been reported to the House, ought not to be published by any member of such committee or by any other person". The publication of proceedings of committees conducted with closed doors or of reports of committees before they are available to members will, however, constitute a breach of privilege.

Mr. Speaker, as a new member of this House I did not feel it would be appropriate for me to respond to the media's request for fear of being found guilty of contempt of this House. Citation 877(2) states:

In Canada, when a question of privilege was raised concerning the publication of a committee report before it was presented to the House, the Speaker ruled that the matter could not be resolved as in the British practice because the motion appeared to attack the press for publishing the confidential document but did not attack members of the House for their attitude in respect of their own confidential documents, and in missing this point, it missed something most important with respect to the privileges of the House.

(1510)

Where I would like to draw the attention of the House is to the words "did not attack members of the House for their attitude in respect of their own confidential documents".

Leaking of information seems to have become a way of life of this Parliament. This was evident in the case of the finance committee study on the GST tabled last June. At that time the hon. member for Willowdale rose in the House on a question of privilege and I refer to your ruling of June 1, 1994 on page 4702 of *Hansard* recommending that the finance committee investigate the matter itself.

I have spoken with the chairman of the committee, the hon. member for Ottawa—Vanier and I assure you I will be raising this issue at our next meeting.

The point I want to raise today is one of personal privilege. My privileges as a member of Parliament were breached in the sense that the media and other committee members had in their possession a copy of the report. They were making public statements in the media and referring directly to the content of the report. In fact, I had not even seen the minority report submitted by the official opposition until it was tabled today.

As a member of Parliament I recognize my obligations to keep reports confidential until they are tabled in the House. Unfortunately some MPs chose not to honour this convention and spoke to the press.

Through my silence and respect for the rules I am afraid I may have left a false impression that our party supports the government when we have in fact tabled a dissenting opinion. I believe we have come to a point where this House needs to establish clear and binding guidelines for MPs with respect to the release of confidential information. In the event that the rules are broken members must know that punitive measures will be taken.

I would argue that this is a clear breach of my personal privileges and shows a clear contempt of Parliament. Therefore I ask that this matter be referred to the Standing Committee on Procedure and House Affairs. Should you rule that there is a *prima facie* case I would be prepared to move the appropriate motion.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member raises a valid point at least in respect of his opening remarks when he stated that the practice of this House has been that committee reports are confidential until they are tabled in the House. I believe he was also correct when he indicated it was a contempt of the House for any person to release the contents of such a report prior to its tabling in the House. Indeed that has been dealt with as a contempt of the House on past occasions.

I may say that if the hon. member could determine the malefactor in this case that person could be brought before the House and the contempt purged in the appropriate way. That would be entirely appropriate. It could be done either here or in the committee and the committee could bring in a report and the matter dealt with. Having said that, I assume he does not know who the malefactor is and given that we are in a position where I do not know that we can deal with that particular contempt of the House in this case, or indeed in some others that have occurred in the course of this Parliament.

However, the second point that his own personal privileges have been violated is another matter. I recognize that in refraining from making comments until the report was made public this afternoon he may have somehow found that his privileges have been affected. It is a matter that could be studied.

I would be happy to have the matter referred to the procedure and House affairs committee that I have the honour to chair for review. We may have something useful to say on it after hearing what he has to say, I do not know. Whether it is a fact of substantial interference with his ability to carry on his work as a member of Parliament I am not sure.

I invite Your Honour to consider the point that he has raised. If Your Honour finds a prima facie case, I can say that the committee will be happy to undertake the appropriate study should it come our way.

The Speaker: My colleagues, I treat all questions of privilege as being very serious in nature. I will indeed review all of the information put before me. With the permission of this House and after due consideration if it is necessary I will come back to the House with my decision.

* * *

(1515)

POINTS OF ORDER

ADJOURNMENT PROCEEDINGS

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, as you are aware, last night I spoke during the Adjournment Proceedings. In accordance with Standing Order 37(3) on October 28, I informed the Speaker of my dissatisfaction with the answer I received from the Minister of Canadian Heritage about my question on his letter of intervention to the CRTC.

Yesterday prior to 5 p.m. and in accordance with Standing Orders 38(3) and (4) the Deputy Speaker informed the House that my question would be raised during the late show; reference *Hansard* page 7753.

During the late show the hon. Parliamentary Secretary to the Minister of National Revenue stated, and I quote from *Hansard* at page 7767:

—I am not prepared to respond to the question of October 28th. I am prepared to respond to the question of October 24th.

Standing Order 38(5) is clear. Ministers or parliamentary secretaries are to respond to the matters raised by members. Not only did the parliamentary secretary not respond to the matter I raised; she admitted she was not prepared to respond and she apologized for not doing so.

The matter raised in my question relates to a serious matter which was before the House for two weeks. I wished to clarify for the House during the late show issues relating to the incompetence of the Department of Canadian Heritage and the minister's letter of intervention to the CRTC. However I have been denied the due process of the Adjournment Proceedings.

I am informed that there is no precedent in this regard. Further, I have not found one instance where the government ever refused to answer a question raised in the Adjournment Proceedings. I remind the Speaker that the Adjournment Proceedings have been a parliamentary procedure for 30 years.

This is an unacceptable precedent for the government to have set. In order to redress this procedural breach I request a written response from the government to the issue I raised last night and

Supply

ask that the response be given in the House during tonight's Adjournment Proceedings.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the hon. member suggested in her comments that she was having trouble establishing the incompetence of the Department of Canadian Heritage and for very good reason. That is because it is headed by a very competent minister and is very well administered. I will leave that part of her remarks aside and deal with the substance of the procedural point that I know she wanted to deal with in her remarks. She got sidetracked by these kinds of partisan comments about the Minister of Canadian Heritage.

The fact is that the parliamentary secretary who was here last night to answer was not the Parliamentary Secretary to the Minister of Canadian Heritage who was unable to be present last evening. She found herself in a position of having been given a set of notes in anticipation of a question on the subject that was not hers to deal with and that she had to give on the spur of the moment. As it turned out it was the wrong set of notes for the wrong question. A mixup had occurred for reasons beyond her control.

Accordingly she felt it inappropriate for her to attempt to come up with an answer to the hon. member's four-minute address on the issue. I may say the suggestion the hon. member has made, that the answer be given tonight on the late show in a special two-minute addition to the late show or a two-minute feature for the parliamentary secretary to give the answer, is one that is quite satisfactory as far as the government is concerned.

I am pleased, if the House agrees it be done, that the two-minute address be given tonight. I realize the hon. member would not have her four-minute speech before it but she gave it last night. We will have the four minutes last night and the two minutes tonight and I think everybody will be happy and in fact pleased to agree.

The Speaker: It seems we have found a solution to our little dilemma. I hope that is acceptable to the hon. member and all other members of the House, and it will be so ordered.

GOVERNMENT ORDERS

[English]

SUPPLY

ALLOTTED DAY—THE RAIL SYSTEM

The House resumed consideration of the motion.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, it is my pleasure to have the opportunity this afternoon to speak briefly on the motion before the House.

*Supply**[Translation]*

I must admit that I was a little surprised and even amazed to see the motion that the Bloc Québécois has proposed to us. On the one hand, the Bloc Québécois often complains; its members claim to be concerned about the deficit and the debt and often say that we must cut unnecessary spending, we must cut what they call waste, a big term which is still undefined and for which we have never had a valid explanation.

(1520)

I wonder if the Bloc Québécois's definition of waste includes exceptional expenditures, which the government cannot make as a government. We still have to find out the answer.

[English]

Members of the Bloc inform us that they condemn the policy of the government in regard to railroad. I go on record as profoundly disagreeing with that proposition. As a matter of fact I congratulate the minister for having, and I will use the parliamentary term, the intestinal fortitude to address some very important issues in the area of transport, be it rail, maritime or air transport.

I never could understand, and the minister put it very eloquently in a speech that other members and I heard recently, when he said there were airports in Canada that were receiving two million passengers a year and getting zero dollars of subsidy and there were airports in Canada receiving \$2 million a year in subsidies and getting zero passengers. There has to be something wrong with that system and the minister has the courage to address those important issues.

[Translation]

The same applies to rail transport. In my region, Mr. Speaker, as you well know, we have a rail line joining Ottawa and Montreal, the Alexandria subdivision. Trains use that track to reach these two big cities. But what happened? In 1986, CN threatened to close the subdivision. It was uncertain whether trains could run between Ottawa and Montreal, and of course it meant the end of passenger transportation between the two cities since VIA Rail uses the CN track.

Today, there is an agreement between CN and CP to maintain the subdivision jointly, and CN and CP trains use the track. This increases traffic on it, increases profitability and ensures the long-term survival of the line in question.

When the news that CN wanted to close the subdivision was leaked in 1986, you know what happened. Alexandria Moulding, a company in our riding that employed about 200 people, ended its expansion plans. Why? Because there was no long-term security. Today the minister is on top of these issues.

[English]

In my opinion the minister should continue in areas such as permitting local groups to start up short line railway operations. That process needs to be sped up. For instance, if CN, CP or both in the case of the Alexandria subdivision because it is to be jointly operated, need to shut down part of their operation and if there is a group of local businesses, municipalities or whatever that can keep that short line operation going, we should welcome it with open arms and not spend years and money arguing before various boards and organizations. We need to assure that whoever operates a short line railroad does so with all the safety standards involved and so on. That is guaranteed.

The process has to be accelerated to make these kinds of things happen. The minister is interested in it; he needs to be praised. On the other hand, some provincial governments, particularly those of the pink persuasion, our socialist friends particularly in Ontario, have established what are known as successor rights in the area of railways.

(1525)

What have successor rights done? By the way the same thing has happened in Saskatchewan, and guess what kind of government it has. Yes, some more of those pink dinosaurs as well. The pink dinosaurs at the provincial level have established those successor rights laws in three provinces. The effect is such that some of the short line railway operations cannot get going because of successor rights.

Here is what happens. In one case in Saskatchewan a small piece of rail line was handed over to a local group. That small piece of rail line did not need a whole variety of employees. I believe it had 18 employees who at that point were in 14 different unions. Does that make sense? It does not make sense to me.

Let us use the example of an even smaller short line operation that would only require a handful of people. Because of the different union contracts a short line operation could not start up. It would have to hire staff it did not need. In other words, the person operating the breaker would have to be different from the person on the train because there are different unions and that sort of thing. Therefore people would be standing there doing nothing while the other one does his or her operation. Does that protect jobs? No, not at all. Instead of having a short line we end up having no service at all and no service at all does not give jobs to anybody.

Perhaps the people in charge of socialist regimes at the provincial level should remember that. If they do not they will not be in business very long anyway, particularly not in the province of Ontario. Their future is doomed about the same as that of the government replaced a little over a year ago by the excellent government we now have in power.

Supply

[*Translation*]

The members opposite are saying that the government should start putting in place a high-speed train system in Canada right away. In the past, these same members condemned the government for making expenditures we could not afford. I have a little problem with their proposals, with the logic used by the people opposite.

First, there is a study under way to determine if a high-speed train would be viable. The people opposite ignore the findings in these studies, but they want a high-speed train system right away and blame the government for not having done so already. Wait a minute. Keep this idea in mind for one minute, Mr. Speaker.

We can only conclude that the members opposite want to build a high-speed train, even if it were not viable. Otherwise, why would they not wait for the results of the viability study? But no. They want to build it, whether or not it is viable, so that when we find out that it is not viable, they can rise in the House to blame the government for building a system that is not viable and wasting money. That is the logic used by the people opposite. If I am not mistaken, the railway expert, the hon. member for Hochelaga—Maisonnette, has just told us that it is viable. We can conclude that he is referring to a study dating back to God knows when. He could perhaps share it with us so that the House would be better informed on this.

[*English*]

There are a number of other issues to be addressed. One of them is property taxes as they affect railroads. Property taxes in Canada generally cost something like 14 per cent of the expenditures of railway companies. That has been said by the Peat Marwick Stevenson and Kellogg group of consultants. In the United States approximately 8 per cent of municipal taxation is applied to railways. That is a big difference for railway viability. It increases the cost of operating railroads in Canada and makes them less competitive.

Those are the kinds of things I know the minister is looking at. He needs to do that kind of work to make rail lines in Canada competitive.

(1530)

In the long run if we do not ensure that our railways are viable, that they operate properly, the alternative will be no railway at all. We cannot continue with a system that inflicts debt after debt, loss after loss on the railway companies and expect they will be around for a long time. That is not going to happen.

We have to make them viable. We have to make them work properly and competitively so they can be around, provide transportation for Canadians, provide transportation for our

goods which we export and import into Canada and provide jobs for those Canadians working in that very worthwhile industry, the railway and transportation industry.

That is why I cannot agree with the motion proposed by our colleagues across the way. I condemn it and I wish the members across would have offered something constructive to help save our railway industry in Canada.

[*Translation*]

Mr. Osvaldo Nunez (Bourassa, BQ): Mr. Speaker, of course, I do not agree at all with the government whip, especially with his anti-union speech.

The high-speed train is viable. It will link the two most densely populated provinces, the two largest cities, Montreal and Toronto. Rail transportation is going through a serious crisis. I agree with the motion of the Bloc Québécois which condemns the government's policies concerning the railway system and the gradual abandonment of the services provided by three companies, CN, CP and VIA, especially since these abandonments are occurring mostly in Quebec.

Thousands of jobs have already been lost and now employers want to reopen collective agreements to reconsider job security, fringe benefits and wages and to ask for some more concessions. They are acting in complicity with the government and especially with the Department of Transport and the companies, the employers. In Quebec, the rail transportation unions affiliated with the FTQ have joined forces and are doing a remarkable job.

I just received copy of a brief on the current situation in the railway industry prepared by local 4334 of the CAW, the Canadian Auto Workers. Quebec is hard hit, because services are being transferred to Western Canada. Is this the kind of Canadian federalism you want to force on us? Yes, Quebec is the province most affected by this crisis in the railway industry. Services are being transferred, mostly towards Winnipeg.

Would you agree to a moratorium in order to reconsider the situation in the railway industry, to set up a consultation committee made up of representatives of the governments, the unions and the companies to examine whatever remedial measures can be taken and to act before the railway system in Canada deteriorates further?

Mr. Boudria: Mr. Speaker, three things ought to be pointed out. First, nothing in what I said was anti-union, quite the contrary. It is not anti-union to want and try to protect jobs in short-line railways. All claims to the contrary are false.

Second, as for the moratorium, the hon. member is aware that a parliamentary task force has just started a study on the whole issue of rail transportation in Canada. This task force will tour several Canadian cities and will report to the Minister of Transport.

Supply

(1535)

The Minister of Transport will surely table this report in the House of Commons. So, if the hon. member is talking about a consultation process, we do have one where parliamentarians are meeting with the industry, rail users, employees and employers.

Mr. Speaker, there is a task force which is ably chaired by the hon. member for Kenora—Rainy River.

[*English*]

Mr. Pat O'Brien (London—Middlesex, Lib.): Mr. Speaker, in addressing this motion today I would like to address the question of rationalization of the Canadian railway network, a matter of pressing interest to all Canadians.

Until recently rationalization meant only one thing, abandonment of rail lines and the loss of direct rail service to those shippers who still remain on the lines.

The rationalization options for railways and shippers have changed in recent years to include short lines and mergers. The fundamental realities, the factors which are driving railways to rationalize, have not changed; changing logistics patterns and requirements, continuing demands from shippers for reduced costs and improved services and competition from the trucking industry and U.S. railways.

The rail share of surface transportation markets has been steadily declining since the 1950s when trucking began to emerge as a serious competitor for rail services. Railways now hold less than a 40 per cent share of this market.

The direct consequence of this changing pattern of demand has been one of a gradual removal of those lines from the rail system that have seen traffic decline to the point at which the costs of continued operation of the lines far outweighed the revenues generated from the available traffic.

The traditional process of line abandonment has always been a traumatic experience for both communities and shippers. As a result, views on the viability of lines or their future prospects have been strongly held and voiced. Rail line abandonments have predominantly occurred east of the Manitoba border over the past 20 years, principally as a result of the fact that much of the rail network in the prairies is protected from abandonment until the year 2000.

However, it is also in the east that the greatest competitive inroads into the railway's traffic base have been made by the trucking industry. I think of my own area of southwestern Ontario as being perhaps the best example of that fact.

Rail traffic in western Canada is largely bulk or resource based and less susceptible to truck competition, while traffic in

eastern Canada has a much higher manufactured goods component which is strongly truck competitive.

In recent years intermodal traffic has come to be the highest traffic growth area for railways. However, intermodal traffic, particularly that in the shorter distance intermodal markets in eastern Canada, is highly truck competitive. Again I would cite the area of southwestern Ontario as an excellent example of that.

While rail line abandonment may have been the traditional means of rationalization, it is by no means the only method by which class one rail carriers can streamline their systems. Other alternatives include selling off so-called short line railways to new, lower cost operators, co-production which involves the consolidation of traffic from the lines of two parallel railways on to one of the lines and abandoning or short lining the redundant line, or merger and acquisitions.

Following the introductions of the Staggers Rail Act in the United States in 1980, American railways accelerated the process of rationalizing their systems. In some cases lines were abandoned although in many other cases rail lines were sold to other operators, producing explosive growth and what came to be known as the short line rail industry.

The term short line is quite broad and can cover railways ranging in size from mere spurs to extensive regional networks. In general terms short line railways feed traffic to larger, usually class 1 railways, have a lower cost structure than larger railways since their labour requirements and arrangements differ substantially from those found on larger railways, and offer services which are much more responsive to local needs.

The short line industry in the United States can be generally characterized as successful. The failure rate of short line railways is much lower than that experienced in other industries. This degree of success in the United States has not been lost on Canadian railways or potential short line operators in Canada.

(1540)

Unfortunately while we have had some notable successes in Canada a domestic short line industry has been very slow in developing. Although the first Canadian short line, the Central Western Railway, emerged in western Canada, the majority since that time have been in eastern Canada. Again, one needs cite southwestern Ontario as a leading example of that fact.

Specifically the Goderich and Exeter railway in southern Ontario, some hour north of my own riding of London—Middlesex, is one of the premier examples of short line railways in Canada. Since its inception the Goderich and Exeter serving shippers along its line to Goderich, Ontario has succeeded in dramatically increasing traffic hauled by the railways and its revenues. The Goderich and Exeter was purchased from CN by a U.S. firm, Railtex, which owns some 20 other short line railways in the United States and more recently in Canada.

Railtex also recently purchased CN's Sydney-Truro line in Nova Scotia, renaming it the Cape Breton and Central Nova Scotia railway, and has embarked on a similar program of increasing traffic and revenues and generally improving the level of services afforded shippers.

One of the key features of short line railways is that their cost structure is lower than that for class 1 railways, principally because short lines have fewer employees and generally more flexible arrangements with their employees which result in significantly reduced labour costs. Typically short lines employ about 50 per cent of the labour that a class 1 railway operating the same line would have.

While one of the principal attractions of short line operations from the viewpoint of a potential operator has been the ability of short lines to structure their operations to make optional use of labour, several provinces have recently adopted legislation to ensure that labour successor rights would be preserved during the transfer of ownership of the rail line from federal to provincial jurisdiction since short lines have typically been formed within provincial jurisdiction.

British Columbia, Saskatchewan and Ontario have passed legislation which provides for labour successor rights when among other transactions ownership of rail lines passes from one jurisdiction to another. While B.C. has very few rail lines which could be considered to have short line potential and Saskatchewan's legislative changes are too new to assess the implications, several potential short line operators in my home province of Ontario have declined to pursue the purchase of short lines in this province in light of the changed situation.

Railtex in particular was negotiating with CN for the purchase of five additional short lines in Ontario. When the amended labour legislation was passed in Ontario Railtex immediately dropped the lines from further consideration. For all intents and purposes this legislation has stalled the development of a short line industry in this province, sad to say.

Despite early apprehensions and a lengthy Senate review of the proposal by Railtex to acquire CN's Sydney-Truro line the province of Nova Scotia now fully supports its short line industry. The second short line, the Windsor and Hantsport railway, recently began operations in the province after acquiring CP's Dominion Atlantic railway line.

New Brunswick, having recently adopted new short line legislation which could represent a model for others, is close to seeing its first short line development with the likely purchase of a portion of CP's Canadian Atlantic railway by the Irving Group. The line which has been ordered abandoned by the

Supply

National Transportation Agency effective January 1, 1995 will likely be operated by Guilford Transportation Industries and provide service into New Brunswick and Maine.

Another company has recently expressed interest in acquiring the balance of the CP line to Sherbrooke, Quebec to add to its own rail network in Maine. Quebec for its part has been an advocate of the development of a short line industry in the province and has introduced legislation to support the development of this industry in Quebec.

In addition to being close to selling the line near Quebec City to a short line operator, CN has indicated that it wishes to sell a considerable number of its lines in northern Quebec and the Gaspé to potential short line operators. It is expected that CN will proceed soon with these transactions. CP has also offered its lines between Delson, Quebec, near Montreal, and Sherbrooke for sale.

What is clear is that our class 1 freight railways, CN and CP, not only have other alternatives than simply waiting for traffic on lines to decline to the point at which abandonment is the only possibility, but they are beginning to move more rapidly to spin-off short lines to potential operators while this makes good business sense for all partners.

(1545)

This does not mean that rail abandonment will not be an option since a small number of lines in the east are unlikely to be attractive to even a short line operator with a more advantageous cost structure.

What it does mean is that rail line abandonment is much less likely, particularly where provincial governments are receptive to the development of a short line industry. While a small amount of trackage might end up being abandoned in any event, perhaps one-third of the current class one rail system, or almost 16,000 kilometres of line, would be attractive to potential short line operators. The resulting class one system would then closely resemble the high density, low cost U.S. rail systems.

Another alternative open to CN and CP is co-production, the consolidation of traffic from the lines of two parallel railways on to the line of one of the railways. Typically the redundant line would be abandoned, although there is always the possibility of short lining.

A current example of co-production is the Ottawa Valley Railway which has received National Transportation Agency approval for operation on CN and CP lines from a point near the Ontario-Quebec border to North Bay via Ottawa. Court challenges to the proposal are delaying its introduction. There are only a limited number of areas in Canada, however, mainly in Ontario, where co-production could be a possibility.

Supply

In closing, railway rationalization is not only inevitable, it is necessary. Pressures on CN and CP to reduce their costs mean they must adopt innovative, non-traditional means of responding to market signals. The key for railways is to find rationalization solutions that minimize costs to carriers and shippers while at the same time maximizing railway opportunities to achieve financial viability and shipper opportunities to maintain or enhance their access to competitive rail services.

[*Translation*]

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, I listened with a great deal of interest to the remarks of my colleague opposite. I appreciated his interesting list of successful conveyances of short line railways to private companies.

I would like to point out that before we make decisions on rail line abandonments with the approval of the government or the National Transportation Agency, a serious examination is in order because that kind of conveyance has negative legal and social consequences on employees despite all that can be said.

That is why our party has asked for a moratorium on rail line abandonments. There is no overall plan to reorganize the railway system, and we blame the government for it. There is no plan on which to base decisions to approve or reject requests for rail line abandonments and branch line removals by CP and CN.

We ask for a moratorium so we can examine the whole issue. We agree that companies may not be able to keep some lines that no private company can take over because they would not be viable. It should be pointed out, though, that the lack of viability is sometimes the result of extremely poor service, in which case we should take a look at what caused the problem in the first place. Is the lack of business actually the result of bad service that companies keep that way on purpose, to be able to ask for abandonment?

That leads me to questions concerning workers. Apparently, certain groups in transportation companies have more privileges than others. I did not go through their collective agreements, but we should enquire about the spending structure of CN when it says those privileges should be reduced. For example, CN set up a rating centre in Montreal, and, after spending a few million dollars to set it up in Montreal, it decided to transfer it out west.

(1550)

This morning, my colleague, who is deputy chairman of the transport committee, mentioned a shocking case of exceptional perks granted to an executive. We should scrutinize all those things before we decide that there are cases of abuse, and that lines should be conveyed to private companies to alleviate the pressure of wages.

That brings me to the broader issue of—

The Acting Speaker (Mr. Kilger): Order. When members choose to share their time, they have ten minutes for their remarks and five for questions and comments. There is very little time left for the hon. member to answer or comment. I urge the hon. member to conclude right away, if he has a conclusion, so that the hon. member for London—Middlesex may give his answer.

Mr. Mercier: Mr. Speaker, since my conclusion would be too lengthy, I will be glad to listen to my colleague's answer.

[*English*]

Mr. O'Brien: Mr. Speaker, I guess I will not need much time to answer because frankly I did not hear a question. I heard some interesting comments from my colleague.

He touched on a number of issues and I will simply highlight one. He spoke about rail abandonment as something he is not anxious to see. Let me assure him that coming from southwestern Ontario as I do, coming from one of the most busy rail parts of Ontario, coming from the long and proud railway family that I do, neither my colleagues nor I are anxious to see willy-nilly rail abandonments either.

Unfortunately the sad fact of the matter is that there are rail lines in the country that make very little economic sense as they are currently structured. The minister is to be commended for seeking to rationalize the entire system because it is simply too expensive the way it is and common sense tells us that.

The Acting Speaker (Mr. Kilger): I thank the member for the short response. I am close to being back on schedule.

[*Translation*]

Mr. Gilbert Fillion (Chicoutimi, BQ): Mr. Speaker, it is a pleasure to take the floor today concerning the rail system, all the more so because the Bloc Québécois is able to speak today despite the government's efforts to exclude the official opposition from its study on the privatization of the CN as well as from major decisions concerning the rail industry. That is why the Bloc decided to devote an allotted day to railway transportation. Otherwise, the government would again have acted secretly.

Today's debate is very important because of the National Transportation Act of 1987. As of January 1st, 1993, this act allows railway companies to close down as many lines as they wish. Of course, such abandonments must meet the National Transportation Agency's criteria in order to be approved, but these criteria are established according to accounting standards instead of socio-economic ones, as they should be. I will come back to that in a moment.

We are told the goal of such abandonments is to streamline the rail system in order to increase the companies' cost-effectiveness and competitiveness. However, we must realize that the idea of cost-effectiveness for a railway line does not take into account any notion of regional economic development. Of the utmost importance is the fact that the criteria applied by the government to allow the abandonments are very narrow-minded and reveal its lack of vision in transportation matters.

The National Transportation Agency examines abandonment proposals according to criteria which do not take into account the economic benefits that can ensue from the operation of a railway line. According to one of these criteria, the National Transportation Agency orders the abandonment of non-profitable lines, when there is no way the situation could improve in the future. This type of reasoning is based only on the railway company's cost-effectiveness and does not consider the socio-economic benefits that bring about regional development. The other criterion provides for the maintenance of a line that is or may become unprofitable.

(1555)

The agency takes public interest into account before deciding whether a line should be abandoned or maintained. However, the law is not clear on the public interest criterion for lines that have no chance of becoming viable in the future. So far, in practice these lines are simply abandoned.

Moreover, the agency is required to review line abandonment documentation only if abandonment was opposed so that, in the absence of opposition, lines can be abandoned without the agency having to justify the application. This is directly related to regional economic development, which is closely linked to the operation of these rail lines.

By abandoning some of these lines, Canada loses economic benefits that exceed carriers' operating losses on these lines. It is imperative that the government consider the total economic impact of line abandonment applications, and not only the financial data on carriers' profits and losses.

The Chibougamau—Chapais—Chambord railway line gives us a concrete example of economic spin-offs. The Lac—Saint—Jean rail system serves among others 16 businesses employing a total of 4,095 people. Abandoning rail lines with or without transfers to a railhead in Lac—Saint—Jean would affect nine businesses out of 16, which would be faced with imminent closure involving the loss of 2,200 jobs. This would directly affect three businesses, which would become unprofitable and face eventual closure. Only two businesses out of 16 would not be affected at all. This would be the concrete economic impact

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of abandoning these lines. Many people would join the already crowded ranks of Canada's unemployed.

It is unacceptable for a region like mine which already has the highest unemployment rate in the country. Rail line abandonment, a kind of Trojan horse given to Quebec by the Liberal government, will have major consequences on the road system. Roads, need I remind you, are a provincial responsibility. Clearly, the decision to abandon lines will have a direct impact on provincial finances.

Line abandonment will significantly increase road traffic, which will lead to major cost hikes. In some cases, new roads will have to be built to accommodate additional traffic. Maintenance costs will also rise. The life-cycle will be reduced in proportion to the increase in road traffic, while the risk of road accidents will rise.

Who will foot the bill and suffer the consequences on the economic activity level in these regions? The provinces. Of course, the road system will deteriorate more quickly and will have to be maintained to ensure its safety and quality.

(1600)

The Liberal government should not try to contradict these figures. Studies prove beyond any doubt that this is exactly what will happen to the road system. Transferring this traffic from the railways to the highways will increase annual maintenance costs by about 30 to 40 per cent, due to the weight of traffic and the carrying capacity of the roads. This means additional maintenance costs for the transportation department of about \$2 million a year for just 800 km, which is approximately the cost of another 2,200 km a year.

As for the exact number of trucks on the road, the Department of Transport estimated that the phasing out of rail service between Lac—Frontière and Vallée—Jonction since 1982 meant that 4,000 to 7,000 more trucks a day used highway 204 in 1989. In the Abitibi region, traffic on highway 117 would increase by 360 trucks a day with the loss of rail service.

Two other major studies were done for the Lac Saint—Jean and Abitibi regions, to assess the impact of abandoning rail service on the public purse. The first study describes various scenarios for abandoning rail service in the Lac Saint—Jean region. One of these is the complete elimination of rail service north of Chambord and the creation of an efficient intermodal end-of-line interface in Chambord. It is estimated that this would cost the Government of Quebec nearly \$700,000 more a year. Although very large, this figure does not take into account the cost of building the roads which would be needed to increase the capacity of this highway system. Neither does it reflect the decreased life expectancy of the roads due to the increase in heavy vehicle traffic.

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The second study considers the abandonment of rail service in Abitibi. It is estimated that total abandonment would cost the Government of Quebec \$3.9 million more a year, even with additional revenue from fuel taxes and trucking licence fees included.

Clearly, abandoning rail lines has a considerable impact on the finances of the federal and provincial governments. The government should therefore consider developing a comprehensive rail-highway policy. Decisions should be made in co-operation with the concerned provincial governments, since provinces are responsible for the road network and also have to bear the consequences of rail abandonment.

Beyond the financial considerations, there is also a human factor which must be taken into account. Traffic increase has a major environmental impact, in terms of pollutant emissions and noise, for communities located along highways. This increase also raises the risks of traffic accidents. The Société de l'assurance automobile du Québec reports a 41 per cent increase in the number of people seriously injured in trucks, between 1988 and 1989. By comparison, the number of people injured in privately-owned vehicles dropped 12.9 per cent over the same period.

(1605)

Another study allows us to conclude that an increase in the number of trucks on the road can only result in a proportionally much greater increase in the number of injuries and deaths.

According to the department's submission regarding the proposed construction of a railroad for the Laterrière plant of Alcan, trains are much safer than trucks. That document indicates that, while heavy road vehicles account for eight to nine per cent of registered vehicles, they are involved in about 23 per cent of all accidents. In 1987, there were 1,206 accidents involving trucks, compared to only three involving trains, for every million tons transported by these two types of carriers.

What is of more interest to us is the fact that freeways are four times safer than other roads for heavy vehicles. The problem is that there are freeways in central areas, but not in remote regions. These regions will be more affected by the higher risk of accident, on top of also being more directly affected from an economic point of view.

Railway transport is very important. It will face tremendous challenges in the years to come; competition is fierce and our society is on the wane. The federal government can no longer afford to subsidize unprofitable lines. It must find other ways to keep these lines in operation, because what is at stake here is the development of our regions.

Quebec does not want to see these essential railroads disappear and it does not want to foot the bill either. Quebec does not want to see its remote regions experience economic decline. It wants Ottawa to implement a co-ordinated transport policy.

Quebec wants to have a say in the decisions affecting railway transportation. It wants policies designed to keep carriers financially sound and technically advanced, while preserving the existing network to the greatest extent possible.

Through the voice of the Bloc, Quebec will make sure it does not get taken. The consequences of the Liberal vision on railway transport are too dangerous for Quebec's future. This government should provide financial support to the establishment of short line railways. Indeed, Quebec does not want to see more of these lines disappear, since they are essential to its economy.

The federal government must include the provinces in the decision-making process, because they are in the best position to take action on this issue. The government must give provinces every means to allow them to set up an intermodal rail-highway system.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, the member opposite has drawn a rather accurate picture of the situation in the regions, especially where people depend on a railway system and where such a system is not only a guarantee, but also a tool for the economic development of remote areas, like the Gaspé Peninsula, large regions in Northern Quebec, the Saguenay—Lac-Saint-Jean area, and many more, I am sure.

I have a question for the hon. member, because I heard that the opposition could be interested in a national integrated policy on transportation. If this is true, then Quebec would have to agree to meet with the federal government and its provincial counterparts to come up with a common position and a real transportation strategy that would include rail, road and air transport.

(1610)

I think we need to reach a consensus, a bit like what is done in other countries, like the United States, and even within the European Economic Community. Why does the Parti Québécois, the political party in office in Quebec, not ask to meet with us in order to draft a national policy?

As Quebec members in particular know full well, road conditions in the province of Quebec are rather appalling. Repair costs are very high. It does entail significant expenses for Quebec, but if Quebec and the other provinces were to meet with us to elaborate a national integrated policy on transportation, I am convinced that we could not only guarantee the vital link which the rail system represents for remote areas in Quebec, but also maintain and reduce the expenses incurred to upgrade the road system in la belle province.

Mr. Fillion: Mr. Speaker, I want to thank my colleague for his question which deserves a straightforward answer. Surely, Quebec is ready to sit with the other governments to discuss a complete and integrated policy for rail transportation as was done in the EEC countries that were just mentioned. These are sovereign countries that agreed on a policy, contrary to Canada,

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which has not succeeded yet to come to an agreement with the surrounding jurisdictions.

Therefore, Quebec is certainly ready to take part in the decision making process and a sovereign Quebec will not isolate itself from the rest of Canada. Thus, I think it is important that Quebec has its say and that a consultation and discussion process is implemented to get a picture of rail transportation and to make the appropriate decisions.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, once again, we hear nothing but demagoguery from the opposition. It says that everything will turn out all right provided that Quebec becomes an independent country. But we must still recognize the following in the railway situation and the jobs that it represents for Quebec.

For instance, CN pays more than \$500 million in salaries and benefits in Quebec. There are more than \$300 million in purchases, more than \$100 million in taxes, more than \$100 million in pensions and benefits. Also, we should not forget that CN maintains almost 8,000 jobs in Quebec and that 30 per cent of all CN employees are in Quebec.

It is a fact that 68 or 70 per cent of senior executives are in the province of Quebec. To talk about the Constitution and tell us that Quebec's sovereignty is the only way for Quebec to pull through, particularly in rail transportation, is really giving a strange spin to the debate. I have asked the hon. member to advise his headquarters that we are ready to negotiate, to work as a true federation.

I must remind the member that the Canadian federation is a resounding success. You should explore this issue with a little more thoroughness and honesty, and try to back away from separatist and sovereignist partisanship, which does nothing to help the future of CN and transportation in Canada, particularly in Quebec.

Mr. Fillion: Mr. Speaker, if anyone were to ask who is the greatest demagogue here, I really could not say. According to the facts and figures that were just quoted to us, a certain amount of employment is provided.

(1615)

However, what the figures do not show is how many jobs disappear as certain lines come up for review or are phased out. How many ephemeral jobs will come in the place of these jobs that are very well-paying? That is the question.

As for the Canadian federation, we had a chance to see what it was worth during the past century. The federation is like a sinking ship. Just look at the deficit, the debt and the rest. I think Quebecers already know the answer when they consider the real figures, not figures that try to cover up certain facts. Jobs will be

lost if these railway lines are abandoned, and they will be replaced by very ephemeral jobs.

The Acting Speaker (Mr. Kilger): I simply want to take this opportunity to remind all members to address the Chair. The parliamentary secretary.

Mr. Gagnon: Mr. Speaker, again, we were talking about VIA Rail and CN. In Quebec VIA Rail provides 1,600 jobs, or 45 per cent of all jobs with VIA Rail. What does the opposition suggest? I really do not understand. They talk about a national, integrated transportation system, and then they tell me: If we have a national, integrated transportation system, we first need independence, in other words, sovereignty.

Let us put this into perspective. I ask the opposition to say yes to the Canadian federation, yes we can work together, yes we want to keep the 8,000 or 10,000 jobs that depend on CN and VIA Rail in Quebec. After all, Montreal is the linchpin of the industry, and I think they will put these jobs at risk if they insist on pursuing a line of reasoning that does nothing to help the future of those employed in an industry that is so important to Quebec.

Mr. Fillion: Mr. Speaker, I will simply comment on the last part of the hon. member's remarks. I have just been told that Montreal is the linchpin. Yes, but the linchpin is being moved elsewhere, as a result of cuts that were never queried, as a result of closing and abandoning certain lines, because when they did the calculations to close the lines, they added repair costs, although repairs were often done in other centres.

This means that the figures we have today do not show the true picture. I am sorry, but once again, I have to say that Canadian federalism does not serve the interests of Quebecers, although you may think otherwise.

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, I rise today to support what my colleague said about the need to renew the railway industry in this country. I agree with him that rail transportation is very important to Canadian shippers. Canada's rail system is the third largest in the world and railways play a significant role in supporting other sectors of the Canadian economy and providing jobs for thousands of Canadians.

Our shippers face intense competition from global markets and rightly demand an efficient transportation system to help them flourish. Our exporters need lower freight rates to compete globally.

The railways have taken several initiatives to make them more efficient. They are attempting to sell or abandon their unproductive lines. For example, CN plans to convey its lines in northern Quebec, very likely to short-line operators. CP is currently in discussions with the Irving Group about selling part of its network in New Brunswick.

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These sales would help to preserve rail access for some shippers and free the railways of lines on which they cannot become profitable. As my colleague pointed out, federal and provincial impediments to the creation of short lines from unprofitable lines of the Class I railways unfortunately exist. I also agree on including a review of this issue as part of our rail renewal effort.

(1620)

The railways need to make progress on other fronts as well. They must continue to improve the service which they provide to shippers if they are to compete against truckers and U.S. railroads. The railways must also continue to improve their relationships with the trucking industry so that the whole transportation system can become more efficient for Canadian shippers.

But the railways alone are not responsible for making this improvement. Labour is a key factor in determining the competitive position and viability of the railways. A skilled and dedicated workforce is essential to the successful operation of a railway.

As my colleague mentioned, rail workers are among the highest paid in the transportation industry. Their collective bargaining power, based on the railways' historical importance, has enabled them to negotiate very generous wage rates and enviable job security provisions.

However, these agreements are no longer realistic in today's rail operating environment. The railways demand greater flexibility in deploying their labour resources than the current collective agreements provide. Employees and unions, however, want to protect the jobs and benefits which they already have.

Management and labour need to come to a common understanding of the current situation. The railways are struggling to be profitable, which makes it harder for them to achieve the efficiency that Canadian shippers will badly need as the 21st century approaches.

All stakeholders must contribute to the rejuvenation of rail transport in Canada, and our government recognizes that it has a role to play in this regard.

Government must create a sufficiently flexible regulatory framework so that the railways can maximize efficiency.

I agree with my colleague that the current system hinders the railways in several respects. They must go through a long and arduous process to implement decisions which, in any other sector, could be made on a purely commercial basis.

While recognizing the need to take into account the interests of shippers and the communities involved, we also should consider allowing the railways greater freedom to restructure and modernize their networks.

Both levels of government need to look at how they might simplify the rules under which Canadian railways now operate in competition with Canadian truckers and U.S. railroads.

Like my colleague, I think that the taxation regime is significantly more burdensome for Canadian railways than for Canadian truckers or U.S. railroads. The government should assess the importance of this factor in making the railways profitable.

As regards the industry structure, my colleague mentioned the government's consideration of the unsolicited CP Rail offer for CN's eastern assets, as well as the government task force on CN commercialization.

I take this opportunity to emphasize that government must examine all options for restructuring the railways, bearing in mind that corporate restructuring by itself will not solve all the problems of this sector.

I have pointed to areas for consideration by several stakeholders—railways, labour and government—in the efforts to renew the Canadian rail sector. The regional roundtables and national roundtable on rail renewal, sponsored by Transport Canada, which my colleague discussed, will be helpful in providing this government with input from stakeholders on its efforts in this regard.

In conclusion, let me reiterate that this government is making a great effort to rejuvenate rail transport, but all parties have a role to play. We must all come together to help ensure the viability of the railways, not just for their sake, but for the sake of the many Canadians who depend on them.

[English]

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, I am pleased to join the debate today as someone who is a great supporter of rail transportation and a great believer ultimately in high speed rail transportation, but within the context of an integrated transportation system in eastern Canada. I do not believe that ever again we will see one form of transportation being used at the expense of others in one part of the country or another.

In rising in this way, faced with the position of members opposite, I would like to explain to the House some of the background of the government's position on this very important matter.

In November 1991 the then federal Minister of Transport with the ministers of transport for Quebec and Ontario announced a joint study of the feasibility of operating a high speed train service in the corridor between Quebec City and Windsor, the busiest transportation corridor in the country.

That study was to take between 18 and 24 months and the cost of \$6 million was shared equally among the three governments. The decision to conduct the study was based on the recommendations of a joint Quebec–Ontario task force report that was released in May 1991. The task force concluded that the final

decision on whether to proceed with a high speed rail project could not be made without undertaking more detailed study.

The current study includes traffic forecasts, routing, available technologies, environmental issues, funding alternatives by the private sector and by the various governments that are involved.

All of these matters are key parts of making a good decision on whether we should proceed with high speed rail transportation and if and when we do, how we should proceed. If this project is to be successful we need all information that is available.

The May 1991 report also recommended that the Government of Canada should be an active participant in the current study, and we are. The objective of the feasibility study is to recommend whether government should initiate and/or support the development of high speed passenger rail services in the Quebec City to Windsor corridor.

We know, as do members opposite, that often governments are not the best organizations to run projects of this type. Often governments are not the best organizations to fund projects of this type. Sometimes they are, but it has to be determined. It is not a straight forward decision. If the government should decide to do something, the government should pay for it and then run it. This study is designed to show what is the best mix, private sector—government involvement, including the involvement of this level of government which as I said is very interested in this project.

Members opposite describe the government's current policy as shortsighted. In general, to me anyway, shortsighted means lacking in long term vision. I suggest that what we need in this case is long term vision, not short term expedient decisions. Studying the implication and impact of high speed rail in eastern Canada is taking the long range, proper view of the issue.

Putting in a modern railroad system is not like cutting a portage through the bush. It is not something you can set off with an axe and do. Likely you end up at the right place. It is a matter of great public interest and importance that takes time and planning. For that we need information and proper study.

(1630)

I believe the federal government is demonstrating its sense of responsibility toward Canadians by not rushing blindly into deciding the future of high speed rail in this particular case. It would be irresponsible to decide on a project of this magnitude without having the benefit of all the necessary information.

The current study is the largest, the most in depth analysis of high speed rail ever undertaken in Canada. Over 30 consultants are involved. We must realize this study does not simply involve

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studying rail transportation and various options for that. The effects of these proposals on airlines, bus routes, trucking which the member opposite was just discussing and all other modes of transportation have to be considered.

My own riding of Peterborough is along this corridor. In Peterborough there is Trentway—Wagar which is one of the few large Canadian owned bus companies. We should nurture companies such as that in the same way we should nurture the Canadian trucking industry in the same way we should nurture the seaway along this route. The Quebec City to Windsor route is probably the most dense and complex transportation route in the world. The seaway is there. The House has received a report on the seaway which is having problems. We need the seaway. We need it in eastern Canada, we need it in western Canada.

Members opposite were concerned about highways in Quebec. I am concerned about highways in Ontario. I do know that what we need in this corridor is the proper mix: air, bus, trucks and the seaway altogether. That is why this government is looking at the impact, the overall positive, we hope, impacts of a high speed rail system on all of those modes of transport, their effects in eastern Canada and their effects in the whole country.

Is properly studying high speed rail for a period of time—we are looking ahead to 1995 and then ahead for many decades—inappropriate for a project so large with such wide implications? I would say not. I would say it is not shortsighted to undertake this study. We must look at the real costs and benefits over the long term to properly assess the feasibility of a multibillion dollar infrastructure project of this type.

[Translation]

Our decision on the future of the high-speed train should not be based on the apparent short term benefits. The government has demonstrated its commitment to deficit reduction. Given the very high deficits, governments will want to ensure that any new infrastructure project will not require large amounts of public funds.

[English]

We must look at the funds we are going to spend. We must look at the amounts that are involved and how those funds are going to be used. I repeat that the potential of a high speed rail service should be examined in the light of the broader context of the overall transportation needs of the whole of Canada.

The present schedule of the government provides for the tabling of a final report of this study I have described to the three governments, the government of Quebec, the government of Ontario and the federal government early in the new year. Like other members on this side of the House, I look forward to that report just as I look forward to our having the best possible integrated transportation system in eastern Canada.

*Supply**[Translation]*

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I am pleased to rise today to speak to my colleague's motion on railway transportation in Canada. I will deal mainly with the passenger service and will use the Jonquière–Montreal and Senneterre–Montreal lines as an example.

(1635)

According to some columnists and some comments we hear, when we speak about passenger rail service, we could just as well be speaking about a mode of transportation dating back to the 19th century and the horse and buggy. We must recognize that the passenger rail service is a modern and efficient mode of transportation and one chosen by many countries where passenger service is particularly efficient. Let me just mention Japan, Korea, Portugal, Spain, the Netherlands, France and even the United States where the size of the territory is comparable to that of Canada.

It is obvious that passenger service has its problems in Canada. Population density is very low here. But the rail infrastructure is very large in our country. It is the third or fourth in importance in the world. Our history was built around the railroad. The railway companies either in the West or from Quebec towards the Atlantic shaped our history. They played an important role.

We could say that today Canada's rail infrastructure is quite satisfactory and that we are also well equipped in transportation facilities to serve train passengers. But there are problems. Some lines have difficulties. We all know that passenger service is highly subsidized in Canada, but we will come back to that item later on. We also know that the limited number of passengers creates a problem. Railway transportation represents 3 per cent of all passenger transportation in Canada and approximately 12 per cent of all mass transportation. I am not denying that there are serious problems, but before I proceed any further I must make two things perfectly clear.

First of all, I would like everybody to understand that rail is an efficient means of passenger transportation, which has a proven track record.

In Canada, in 1977, the responsibility for passenger service was taken away from CN and CP and given to the newly-created VIA Rail. This was a company created by the government, which decided that, in Canada, passenger service would be the responsibility of this new company. It had no start-up capital and no legislative framework, as it was created by Order in Council. Consequently, its autonomy, power and independence from the government were greatly reduced. The company was simply to manage and market railway transportation in Canada. It should be pointed out that VIA Rail inherited a fleet of locomotives and cars which could fairly be described as inadequate. The system had not been upgraded. Some equipment was old and in need of replacement.

However, VIA Rail got started. It was understood that the government would absorb VIA Rail's debts and its operating costs. Every year, VIA Rail receives a grant to be able to carry out its responsibilities. This grant amounts to around \$300 million a year, but the Department of Transport is planning to make cuts in the years to come. It does not augur well for VIA Rail's future. In the past few years, a royal commission of inquiry on passenger service was set up, which, by the way, cost \$23 million. I understand that it concluded that the market should decide which services should be offered and that user fees should cover the entire cost of these services.

(1640)

In other words, a line of thought now prevails in Canada that views rail transportation as just another service, not even a public service, but a private enterprise like any other. If the operation does not break even, all it has to do is shut down without public authorities having any responsibility in its closure.

I think that we are facing a crisis. The regions, my region of Saguenay—Lac-Saint-Jean, and Abitibi as well, owe their development in part to the railway. One might say that our attachment is purely motivated by nostalgia, but it is not so. We believe that, combined with other means of transportation, railway service can become efficient and cost-effective in Canada.

Take the Saguenay—Lac-Saint-Jean region for example. We have a passenger line connecting Jonquière to Montreal. There are problems, goodwill problems, although the number of train users has increased substantially these past few years. There are problems because the train is a little bit like a hidden public transit.

First of all, there are only three departures from Jonquière every week. This means that, in order to travel by train, you must have time on your hands or control your own schedule. The timetable is not particularly accommodating. Transfers pose serious problems. Take me for example. If I want to come to Ottawa on the train, I cannot get here in one day. I have to stop in Montreal overnight and take the train for Ottawa the next day.

Travel time needs to be reviewed. The actual transit time between Jonquière and Montreal is about eight hours. That is a long time and it could be made much shorter. There is room for improvement, given the applicable speed charts and the fact that priority could be given to passenger trains over freight trains, unlike at present.

Some technical problems also need to be resolved. I am thinking about ticket reservations. There is no terminal where reservations can be made in Jonquière. Every time you go to buy a ticket, the clerk has to phone Montreal. You could not find a better way to kill the reservation system. As for advertising, there is none. I never saw in my region advertising on passenger rail service fares or schedules. There are major problems.

Supply

This could be greatly improved. Last summer, my colleague, the hon. member for Champlain, submitted to the Minister of Transport a brief pointing out that several municipalities between Jonquière and Montreal and between Montreal and Senneterre do not have bus service. Rail is in effect the only means of public transportation for some communities with a significant population.

I am thinking in particular of the line between La Tuque and Senneterre, of communities like Weymontachie where 570 people live, of Casey with its 250 inhabitants, of Parent with a population of 815. People living along this line need rail service to travel to major centres and go about their business.

In some countries, passenger rail service is an efficient and sometimes viable means of transportation, of which we in Canada do not seem aware. The example I gave you involving the Jonquière–Montreal line clearly shows that nothing has been done to improve services. Nothing has been done to show people that this is an efficient means of transportation.

(1645)

Mr. Speaker, before closing, because I want to give my colleagues an opportunity to address the House on this subject, I want to say that Canada, instead of easily putting aside a means of public transportation by raising the issue of viability and invoking some profit-oriented rules, should look a little further afield and realize, for example, that rail service can save energy and ensure a good quality of life for passengers. It is often much more pleasant to travel by train than to be packed like sardines at the back of a bus.

There are also savings in terms of physical space used, since the alternative to passenger trains is the bus and particularly the automobile. Based on what has occurred in recent years and what is anticipated in the future, the number of cars will increase tremendously. This means that more roads, and more space, will be required. There will also be a lot of traffic on these roads. This will create a rather major safety problem. If the number of cars continues to increase, we will also have to build costly infrastructures.

If, instead of merely taking a short-term approach, we integrate the railway system to other modes of public transportation and to motor vehicle transport, we can have a modern system which will take into account the needs of the public as well as the costs involved. I do not challenge the fact that we must reduce as much as possible the costs of railway transport and infrastructures, but we have to realize that a government subsidy to the railway sector will probably mean, in the long term, fewer roads to build and increased safety which, in turn, will translate into fewer automobile accidents. This aspect should not be overlooked.

Some say that cuts must be made in the passenger train service because it is not profitable, but let us not overlook the costs of highway transport in terms of infrastructures, pollution, environmental impact and space required for the construction of roads. Every aspect should be taken into consideration.

I hope that today's debate will make Liberal officials aware of their responsibility and that they will realize that railway transportation must not be overlooked when examining the issue of passenger transport in Canada.

[English]

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I have listened over the last little while to members of the Bloc speaking on their position. There are several things that seem to be fairly common throughout what they are saying.

First of all they are still looking for the government to pour more money in the form of grants and subsidies into the province of Quebec. This is to help with the continuation of rail service, a service which across the country is having a tremendous problem trying to break even.

We have listened while the Bloc on a number of occasions has promoted a rapid rail line from Quebec into Ontario. To date there is no substantive evidence whatsoever that this rapid rail line is financially viable. As a matter of fact any statistics I have seen have pointed to just the opposite. It is strictly a money losing proposition.

Surely the Bloc can recognize the financial position and the crisis Canada is in. I really wonder how members of that party can stand here day after day and request that the government in fact borrow more money to plough into the province of Quebec for infrastructure and services. It just does not make sense from a purely logical point of view that members of the Bloc actually think this money is growing on trees and that they have somehow been deprived for the last 20 or 30 years. In fact, Quebec has been operating at a transfer payment deficit for many years. The funds have not exactly been withheld from the province of Quebec.

(1650)

Now I get to my last point. In addition to all this and the fact that the Bloc has requested over and over again that more funds be poured into the province of Quebec for infrastructure and services, this is the same party whose goal in this House is to facilitate the separation of Quebec from Canada.

Of all the illogical notions I have ever heard in my life, they have the audacity to stand here and ask for more and more money to be poured into the province of Quebec, when at the same time they are trying to separate from Canada. For goodness sake, where is the logic in what they are saying? Will they get their stories straight? It just defies logic to sit here and listen to them.

*Supply**[Translation]*

Mr. Caron: Mr. Speaker, it is not about pouring money into Quebec but about pouring money into railway transportation in Canada, because we believe it is an efficient way to transport passengers and freight.

The hon. member takes the accountant's perspective and talks about viability, but we suppose we look at Canada the same way and ask whether Canada is a viable proposition? Every day our Reform Party colleagues tell us that the debt is increasing and that we are on the verge of bankruptcy, and in that case, since Canada is not viable, why not close it? I say this tongue in cheek, and the hon. member knows perfectly well it is not that simple.

A country is supposed to provide certain public services to its citizens, including education, hospitals, roads and the army, and it has to raise taxes and allow for a minimum of administration, all of which, if considered from a very short-term perspective, could be said to be unprofitable. For instance, is the hospital in Jonquière profitable? I have the impression it costs a lot more than what people pay for the care they get.

So one option would be to privatize. But if we privatize hospitals, schools, roads, the army, prisons, and so forth, we will get to the point that we privatize the government, and there will be no more government, no more country and no more State.

I think we should carefully consider all the consequences. We should also look at history, and we will realize that since time immemorial, public services have been subsidized by the State, and that is why the State exists, so it can provide this public service, and we believe that in Canada, transportation, including highway transportation and railway transportation, which is a part of all this, is also a public service and that citizens, considering the taxes they pay, have a right to expect satisfactory service.

[English]

Mr. Harris: Mr. Speaker, unfortunately the members of the Bloc just do not get the truth of this whole thing. Canada is almost flat broke, if not already there. We have a \$535 billion debt. We are operating \$40 billion in the hole a year. There is no money for increasing services. The only way that can possibly be done at this stage is to increase taxes. Quite frankly, this is not a viable option. The Canadian people and Canadian businesses are taxed to death. They cannot take any more tax hits.

If we do not get our finances under control, if we do not get our deficit under control, if we do not start attacking the debt, Canada is going to hit the wall. All these services, the transportation services, hospital services, the infrastructure that the

Bloc members are talking about are simply going to be gone, period.

This is a time when Canada has to clearly distinguish its wants from its needs. What we need is what we can afford to pay for; what we want is not what we can afford to pay for. The Bloc is talking about wants. The wants side of the thing should not even be on the agenda today, considering our financial position.

(1655)

[Translation]

Mr. Caron: Mr. Speaker, when you look at a country, you may look at its debt, but you must also consider its assets. Is Canada worth more than our present debt of \$500 billion? If it is not worth more than that, obviously, we are going to disappear. But if you look at what Canada is really worth, with all its assets, its production, its natural resources, its people, if you add it all up and compare it to the debt, I believe that the difference is quite significant. My colleague will agree that to look at the debt without looking at the assets, is a bit short of good accounting practices.

With this, I will conclude, Mr. Speaker, that you must look at the assets instead of looking only at the debt.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I would like to congratulate my hon. colleague for his excellent analysis and especially for having explained to the Reformers, who simply do not understand anything, that there is a difference between an asset and an expense.

When you have a productive asset, which will remain productive in the long term if you keep investing in it, in an area in development at the international level, like a railway system, anyone can understand that one day it will make the country richer. In other words it is possible to increase the wealth of a country and control spending by developing assets.

If we listened to the members of the Reform Party, with whom I work every day in the finance committee, we would empty nine tenths of Canada to fill the remaining tenth, because nothing is viable in their opinion. If nothing is viable, I wonder why they remain a federalist party. The country has to be dismantled. If they do not believe in the country as it is, why do they stay in politics? Are they here to improve the situation or to be accomplices to a systematic demolition? When it is not the railway system which is under attack, it is social programs. They started with unemployment insurance, then post-secondary education and health. If that is politics for them, hats off!

The Acting Speaker (Mr. Kilger): A brief comment from the hon. member for Jonquière.

Supply

Mr. Caron: Mr. Speaker, really, my hon. colleague summed it up very well. A country is much more than a bank account, much more than an accounting report. That is what we want to do in Quebec and we hope to be able to do it soon. At that time, we will show the Reform Party that it can work, even with people like us who sound like daydreamers, because there comes a time when if you cannot dream, you die, Mr. Speaker.

Mr. Raymond Bonin (Nickel Belt, Lib.): Mr. Speaker, some people may want to destroy the country, but it would be too easy to destroy the railway system in Canada at the same time.

Canadians were led to believe that Canadian National is an inefficient company that does not meet the needs of the people. After a bit of research, we would come to realize that CN is subject to Canadian legislation which prevents it from being competitive and from selling shares. When it needs capital, CN must ask banks or individuals for a loan, contrary to Canadian Pacific, which can sell shares under these circumstances.

But even without a level playing field, Canadian National was able to make some very important decisions. The company was criticized for building a tunnel which shortens the trip from Montreal to Chicago by 12 hours. First in line to criticize CN were its competitors.

Nowadays, it is easy to rise in the House of Commons and say: "We are against any measure taken to save Canadian National, only because we are against it". We must realize that the time when Crown corporations in difficulty could get cartloads full of money is over. We now have to be efficient and innovative. We already know that Canadian National can easily compete with Canadian Pacific. I am even convinced that it can do better than CP.

(1700)

[*English*]

Another important point is that while CN has been investing large amounts in its infrastructure, CP has not been doing this. It is normal, faced with the challenge of having to invest in its infrastructure, that it would want to repeat history and say to government: "Sell us this company for a dollar. We assure you that if you let us take over this crown corporation for a dollar you will not lose any more money". Well those days are over. CN is a valuable company in spite of the pressures put on it by government. It is an efficient company. Its employees are the best in North America. They have indicated their interest in making CN work.

The Capreol Save Our Rail Committee has been formed in my riding of Nickel Belt. The northern route has been faced with the challenges that CP initially wanted to merge with CN. This is something that is almost an impossibility when we think of two competitors that have not been very good friends in the last many years.

The next option was to purchase CN for a song and a dance in the same way that the Quebec City transit system was purchased by a very prominent Canadian, and a fellow Sudburian I should mention. The story was I am told: "Sell it to me for a dollar and you will never lose a cent again".

I am an Air Canada retiree. I was a victim of privatization. I am now the best spokesman for Air Canada that one will find and it does not have to pay me to do it. I saw that company grow from a company that was harnessed and handcuffed by federal legislation.

[*Translation*]

When I was working at Air Canada, we had a suggestion program for employees. If a suggestion led to savings, we got 10 per cent. We had very good ideas as employees. The sad thing is that each time we had a good idea to make the company profitable, we were told that Canadian legislation does not allow Crown corporations to do these kinds of things.

So how can such a company compete on the international market? We know now that our competitors are not here in Canada but around the world. Global competition requires that CN be able to compete on an equal footing with CP, its competitor.

[*English*]

We have mounted a campaign in my riding with the assistance of the Capreol Save Our Rail Committee. This campaign will grow. Our message is that we are giving Canadians facts about the situation of CN. It is not an inefficient company. It is a good company and its employees are excellent. It is performing well and is presently making a profit in spite of government legislation.

I would like us to remember that the airline industry underwent exactly what is happening now in the rail industry. Let us not forget that CP Air was purchased by a smaller company named Pacific Western. At that time it wanted to merge with Air Canada and then it wanted to purchase Air Canada. It is history repeating itself.

What was the message of Canadians? The message was that we need competition in this country. We cannot have just one airline or one railroad because the shippers will be forced to pay the fees required of them.

Our message to Canadians from the Capreol Save Our Rail Committee is: Privatize CN. The employees are signing cards indicating their willingness to participate in such a move. They want to do this because they know that as long as CN is a crown corporation other companies will want to take advantage of its good position. The best people who are in a position to take advantage of the good position of CN are the employees. Therefore, we are pushing for an employee led privatization of CN much like Air Canada did.

Supply

(1705)

[Translation]

I think it is important to mention that Air Canada expects at least to break even and probably to make a profit. And the privatization of Air Canada took place during a recession. While other corporations were closing in Canada, Air Canada succeeded in becoming the great company it is today and, this year, it expects to break even or perhaps even to make a profit.

[English]

If Air Canada was able to do this during a recession, I am convinced that CN can do it in an economic upswing. I encourage all Canadians to show their interest in participating in an employee led privatization of CN.

I am not going to dwell on the past as my colleagues from the Bloc Québécois are doing. I will not go over all the injustices they speak of. I may indulge a bit by saying that the repair shop in Capreol, a modern facility producing more efficiently than Joffre, was closed down in favour of the shop in Joffre, Quebec. As good Canadians we did not spend all our time crying. We sat down and tried to find ways of saving these facilities. We have not given up. The employees of these facilities are signing up. It is not a firm commitment to purchase shares in CN, but it is an indication of their willingness.

I urge Canadians, members of the opposition, all members of this House to seriously consider the benefits of privatizing CN.

As a former employee of Air Canada and as a retiree I know the pride and dignity employees develop in a company when, as in my case, you work for them for 25 years. In the case of the people of Capreol it was for three generations. When you speak of pride to a grandfather about how it was when he was on the railroad, he asks his grandson or granddaughter what it is like today. The pride you develop in a company is something you have to live. It is too easy to say that you worked for a company for a number of years and you either leave with a good package and love the company or leave with a lousy package and remember it forever with animosity.

In the case of Air Canada it used to belong to CN.

[Translation]

The employees of Air Canada and Canadian National are proud people. They are the ones who built the company. One criticism I would make of Canadian National is that if Canadians have come to think that CN is inefficient, that it loses money and makes bad decisions and if my research leads me to conclude that the decisions made by this company are good decisions that have allowed it to become profitable right after a recession, it must mean that the status quo cannot be maintained at CN.

[English]

Things must change. Governments have to sit back and try to understand and face up to what it is that a government offers its population. We struggle to offer our population the social services, assistance to the needy, care for the sick, food for people who are hungry, while putting millions of dollars into a company that can do better on its own. It is time Canadians faced reality. We do not print the money any more. Times are hard, but we are coming out of them.

(1710)

The rail system forms part of our national strategy on the movement of goods and people. If the railroads have been inefficient in the transportation of people it is because of government legislation. Let us get those laws off their backs and allow them to compete through modern legislation face to face.

The competition will no longer be only between CP and CN. CP and CN must find partners. They must have the same tools to work with because their competition is south of the border. The competition is in the trucking industry. Indications are that the trucking industry can no longer maintain its past system of movement of goods. Our roads cannot handle it. Canadians realize they are subsidizing the roads in the same way we subsidized the railroads in the past.

It is difficult for that truck driver driving at four o'clock in the morning realizing he has \$200,000 debt on the rig behind him. I am a firm believer that if we plan correctly we can develop a viable system for the railroads in co-ordination and co-operation with the trucking industry. It is reasonable as Canadians to expect that everyone should participate and everyone should become a winner. The transportation of goods in Canada should be a partnership between the railroads and the trucking industry.

As I conclude I would like to repeat my previous comment. The Capreol Save Our Rail Committee has been working diligently. A few months ago its members were faced with the prospect of losing their jobs. This community is a wonderful town. I was at its Santa Claus parade last Saturday. You should see the closeness and the unity in that town.

In the same breath CP says: "We will offer you a dollar for your company and you will never lose a cent again, but one thing we will do the first day we own that portion of CN is we will close the northern line". We are not taking the attitude that we will bring government to its knees or we will bring CN to its knees. We are addressing this issue in a different, modern, Canadian, Liberal fashion. We are meeting and working together. We have opponents but we sit with them. We get to know them and we learn to work together.

We will offer a solution to Canadians. We will maintain the transcontinental line coast to coast at least on CN. We will ask that there be legislation assuring that the transcontinental line will be maintained. I know that is the desire of CN if it should be privatized. By maintaining this line and CP if it can manage to do it would be better for all Canadians.

We could compete until we learn to complement one another in a transportation system that will be the envy not only of the rest of North America but of the world. Competitors could learn to complement one another instead of competing with each other and we could develop a system in co-operation with the trucking industry. Imagine that system which would be envied by all.

The Acting Speaker (Mr. Kilger): 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: In accordance with the agreement reached earlier today the House will first hear the response from the government to the question of the hon. member for Calgary Southeast concerning the CRTC which can be found on page 7766 of *Hansard* of Monday, November 14, 1994; the hon. member for Notre-Dame-de-Grâce—Justice.

(1715)

[*Translation*]

Mrs. Madeleine Dalphond-Guiral (Laval-Centre, BQ): Mr. Speaker, before beginning my speech, I want to inform you that it will only be 10 minutes long, to allow my colleague from Argenteuil to speak.

The motion put forward today by the Official Opposition asks this House to condemn the government's lack of action and transparency with respect to the proposed restructuring of Canada's rail system, and especially its lack of vision with respect to high-speed trains.

We cannot help but conclude that the government is dragging its feet badly, as far as the high-speed train is concerned, so much so that we have to wonder whether it is not just watching the trains go by.

At a time when the government is concerned with meeting the challenge of the information highway, it is neglecting to meet the high-speed train challenge, a train which would give Canadians and Quebecers access to a modern, efficient and economical transportation system.

The high-speed train is a true revolution in the area of surface transportation. It is in some ways a revolution as significant as that of the information highway. The Europeans have understood that. While the French, the German and the Swedish have all opted for the high-speed train, the Canadian government has yet to move with the times. Introduction of a high-speed train service in the Windsor-Quebec City corridor would provide an ultra-rapid means of transportation to some 10 million people.

Supply

Fifteen million trips a year require an efficient means of transportation. At the dawn of the third millennium, Canada and Quebec must develop a means of transport for the future. The HST technology is the necessary and logical solution.

Initially developed in France, this technology is characterized by its profitability, its security, its convenience, its comfort and, above all, its speed performances. Based on a revolutionary technological concept, environmentally safe, the HST causes less noise pollution and greatly reduces energy consumption. With its successful performance, it has won a large share of the European market for medium and long-distance travel. By reaching commercial speeds of 300 km/h, it has become a very competitive means of transport compared with more traditional ones. The HST is faster, more comfortable, safer and more economical than cars. It stands in sharp distinction to air transport because it channels the movement of people over the entire territory. It helps to make downtown areas more accessible. Using existent rail lines, it enters the heart of cities.

The HST technology combines three essential conditions for the success of modern means of transport: connectedness, connectivity and nodality. Given these features, an HST for the Quebec-Windsor corridor is not a project which should stay on the shelf, but a necessity.

Rémi Bujold, the president of one of the consulting firms which worked on the HST project, said that this project would be profitable if it captured 40 per cent of the market for the Toronto-Montreal corridor, which now accounts for only 13 per cent of all transport needs.

As my colleague, the hon. member for Kamouraska-Rivière-du-Loup said last May, the cost-effectiveness of that system rests on its efficiency: "It can link Quebec and Montreal in 85 minutes, Montreal and Ottawa in 45 minutes and Toronto and Montreal in 140 minutes, at 50 per cent of the cost of a plane ticket. That is a real dream".

Given the inaction of the government, my colleague was wondering if Ottawa was not more concerned with defending the interests of the airline lobby than it was willing to participate in a job creating project, one very innovative project from a technological point of view and one which would be a driving force for the economy of our own businesses.

The HST has the support of many groups and public and private organizations in Canada and in Quebec. The Bombardier multinational, an unquestionable leader in the area of transportation, is ready to meet the challenge here in our country. That corporation, founded in Quebec, is very successful in selling its know-how, its technology and its products all over the world. Team Canada just got back from its tour and the federal government takes pride in the success and the accomplishments of our businesses abroad. But what does it do to encourage their development here in Canada and in Quebec?

Supply

The Prime Minister is going nowhere and evidently his government is marking time.

(1720)

Several studies have shown that the HST would create approximately 127,000 work-years of employment. During the construction, with the technological and economical spin-offs of such a project, nearly 40,000 additional work-years would be created in various sectors. The management and maintenance of the network would create another 1,200 permanent jobs. The costs of funds for the HST project in the Quebec—Windsor corridor are estimated at approximately \$7.5 billion over a ten-year period. The private sector would assume 70 per cent of start-up costs, while the remaining costs would be shared by the governments of Quebec, Ontario and Canada.

On April 26, Marc LeFrançois, president of the board of directors of VIA Rail, made an eloquent speech in support of this project. According to Mr. LeFrançois, the survival of passenger railway services in Canada will depend on the high-speed train project. According to the president of VIA Rail, the United States is an accessible market worth many billions of dollars. The high-speed train would give our businesses broad access to the North American market, where the high-speed concept has yet to make its mark.

At a time when draconian budget cutbacks have put what is left of Canada's and Quebec's railway industry at risk, at a time when our major railway companies are becoming less and less viable and thousands of workers in this sector are losing their jobs, I think it is high time the government showed some political and economic leadership by supporting a project that would stimulate and generate employment. The government should realize that this project is not only possible but necessary. As the government keeps pouring millions and millions of dollars into the Hibernia project, whose technology is not very exportable and, from the looks of it, not very profitable and unlikely to generate as many economic spin-offs as the high-speed train project, is it surprising that people get upset about the Liberal government's failure to act?

The government cannot afford to hesitate any longer. History has shown that Canada's present geopolitical entity was shaped by the railway that connected the Atlantic to the Pacific. This episode in Canada's history goes back more than a century. Considering the deterioration of Canada's railway network, a legacy of the negligence of many successive governments in Ottawa, one wonders what the Fathers of Confederation would have had to say. They would undoubtedly condemn this government's apathy. The government must make a decision now about the high-speed train, to prevent inertia from turning into inept policy making. The high-speed train project must be kept on track. Otherwise, the Fathers of Confederation would never forgive them.

[English]

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I listened again with some bewilderment to the comments of the member of the Bloc and there are a few points I would like to make.

She says that the government has been foot dragging on the high speed rail issue. Quite frankly, given the statistics, given the financial prospect, the viability of high speed rail in the Quebec—Windsor corridor if I were having to pay the bill believe me I would be foot dragging as well. I would not want to get into it.

The member talked about the success of high speed rail in European countries. For many years the high speed rail system in Europe has been heavily subsidized by the governments where the trains operate.

This country cannot afford to get into more subsidization of crown corporations or transportation systems. We are subsidized to death. We have VIA Rail being subsidized with hundreds of millions of dollars. It is interesting that the chairman of VIA Rail, a person who is operating a company at a huge loss every year, absolutely dependent on government subsidies to keep his company afloat, is now advocating and promoting a high speed rail system.

(1725)

At least if we had some sort of track record with the company he operates, his support would at least be somewhat credible. The hon. member has talked about the economic factor of high speed rail. There is no financial data that support the fact that a high speed rail system in Canada, in the Quebec—Windsor corridor, could even begin to be financially viable without continued heavy subsidization from the government.

I would like to talk about one other thing. Where are the customers going to come from? Let us say that they did start to attract a lot of customers. Someone in the transportation industry is going to suffer. Is it going to be the airlines? Are we asking the airlines to lose more customers who would travel on trains?

Statistics and studies have shown that the Canadian people have a tremendous love for their automobiles. We are not going to change this love for the automobile that the Canadian people have simply by putting a high speed rail system in. They are not going to overwhelmingly start getting out of their cars and flocking to a high speed rail system overnight.

If this government were to enter into this thing it would be like going to the store to buy a new television set when you have no food in the cupboard. That is the state of the economy. That is the state of this financial house in Canada. We cannot afford to even think of a high speed rail system at this time.

[Translation]

Mrs. Dalphond-Guiral: Mr. Speaker, I wanted to make a definite promise but unfortunately I will not be able to keep it since, of course, I will not be sitting in this Parliament long enough. However, I can promise you that the day a train will link Montreal to Ottawa in 45 minutes, I will be delighted to take it with all the others who will want to come to Ottawa.

A high-speed train in the Quebec City-Windsor corridor will naturally be used by people who live along that corridor. Now, that area has a population of ten million people, industrial areas and many industries. That project will create almost 130 000 jobs. It is no small matter. People who work pay income tax instead of receiving unemployment insurance; so this is actually something fundamental and if the government waits too long to act, I agree that some interests have to be protected, namely those of air carriers.

When a country is in such financial difficulties as Canada, we obviously have to make the choices that are the most advantageous from an economic point of view. When a mode of transportation costs 50 per cent less than transport by air, I think that option deserves to be considered.

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, I will simply make an announcement. On May 23, Canadian Pacific Ltd. filed a request with the National Transportation Agency to abandon the Saint-Augustin—Mirabel—Thurso line.

The hon. member for Blainville—Deux-Montagnes, André Riendeau from the riding of Argenteuil, Paul-André David from the riding of Papineau, and myself, have prepared a submission. This document was presented to the National Transportation Agency of July 27, 1994. We requested public hearings and a five-year moratorium.

This is a rare occasion! We got the public hearing we requested, which will be held on November 22. Thank you.

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., it is my duty to inform the House that pursuant to Standing Order 81(19), proceedings on the motion have expired.

* * *

DEPARTMENT OF CANADIAN HERITAGE ACT

The House resumed from November 3, consideration of the motion that Bill C-53, an act to establish the Department of Canadian Heritage and to amend and repeal certain other acts, be read the second time and referred to a committee.

Supply

The Acting Speaker (Mr. Kilger): It being 5.30 p.m., pursuant to order made Thursday November 3, 1994, the House will now proceed to the taking of the deferred division on the amendment of Mrs. Tremblay (Rimouski—Témiscouata), in relation to second reading of Bill C-53.

Call in the members.

(The House divided on the motion which was negated on the following division:)

(Division No. 106)

YEAS

Members

Abbott	Ablonczy
Althouse	Asselin
Bellehumeur	Benoit
Bergeron	Bernier (Gaspé)
Blaikie	Bouchard
Breitkreuz (Yellowhead)	Brown (Calgary Southeast)
Bélisle	Canuel
Caron	Chatters
Chrétien (Frontenac)	Cummins
Dalphond-Guiral	Daviault
Debien	de Jong
de Savoye	Deshaies
Duceppe	Dumas
Duncan	Epp
Fillion	Forseth
Gagnon (Québec)	Gauthier (Roberval)
Gilmour	Godin
Gouk	Grey (Beaver River)
Grubel	Guay
Guimond	Hanger
Hanrahan	Harper (Calgary West)
Harper (Simcoe Centre)	Harris
Hart	Hayes
Hermanson	Hill (MacLeod)
Hoeppner	Jacob
Jennings	Kerpan
Landry	Langlois
Laurin	Lavigne (Beauharnois—Salaberry)
Lebel	Leblanc (Longueuil)
Lefebvre	Leroux (Richmond—Wolfe)
Loubier	Manning
Marchand	Martin (Esquimalt—Juan de Fuca)
Mayfield	McClelland (Edmonton Southwest)
McLaughlin	Mercier
Meredith	Mills (Red Deer)
Morrison	Ménard
Nunez	Paré
Penson	Picard (Drummond)
Plamondon	Pomerleau
Ringma	Robinson
Rocheleau	Sauvageau
Schmidt	Silye
Solberg	Speaker
St-Laurent	Strahl
Taylor	Tremblay (Rimouski—Témiscouata)
Venne	Williams—92

NAYS

Members

Adams	Allmand
Anawak	Anderson
Arseneault	Assad
Assadourian	Axworthy (Winnipeg South Centre)
Baker	Barnes

Supply

Bellemare	Berger
Bertrand	Bodnar
Bonin	Boudria
Bryden	Bélair
Caccia	Calder
Campbell	Cannis
Chamberlain	Clancy
Collenette	Collins
Copps	Cowling
Crawford	Culbert
DeVillers	Dhaliwal
Dromisky	Duhamel
Easter	English
Fewchuk	Finestone
Finlay	Flis
Fry	Gaffney
Gagliano	Gagnon (Bonaventure—Îles-de-la-Madeleine)
Galloway	Gauthier (Ottawa—Vanier)
Gerrard	Godfrey
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Harb
Harvard	Hickey
Hopkins	Hubbard
Ianno	Iftody
Irwin	Jackson
Jordan	Karygiannis
Keyes	Kirkby
Knutson	Kraft Sloan
Lavigne (Verdun—Saint-Paul)	Lee
Lincoln	MacAulay
MacLellan (Cape/Cap Breton—The Sydneys)	Maloney
Manley	Marleau
Martin (LaSalle—Émard)	Massé
McGuire	McKinnon
McLellan (Edmonton Northwest)	McTeague
McWhinney	Mifflin
Milliken	Mills (Broadview—Greenwood)
Mitchell	Murphy
Murray	Nault
O'Brien	O'Reilly
Ouellet	Pagtakhan
Patry	Peric
Peters	Phinney
Pickard (Essex—Kent)	Pillitteri
Regan	Richardson
Rideout	Ringuette—Maltais
Rock	Serré
Sheridan	Simmons
Skoke	Speller
St. Denis	Steckle
Stewart (Brant)	Stewart (Northumberland)
Szabo	Telegdi
Terrana	Thalheimer
Tobin	Torsney
Ur	Valeri
Verran	Volpe
Walker	Wappel
Wayne	Wells
Whelan	Wood
Young	Zed—132

PAIRED MEMBERS

Members	
Bachand	Bernier (Mégantic—Compton—Stanstead)
Bevilacqua	Brien
Chan	Cohen
Crête	Dingwall
Dubé	Eggleton
Lalonde	Leroux (Shefford)
Peterson	Proud
Sheridan	Tremblay (Rosemont)

(1755)

The Speaker: I declare the amendment lost.

Pursuant to order made Thursday, November 3, 1994, the House will proceed to the taking of the deferred division at second reading stage of Bill C-55.

YUKON SURFACE RIGHTS BOARD ACT

The House resumed from November 3 consideration of the motion that Bill C-55, an act to establish a board having jurisdiction concerning disputes respecting surface rights in respect of land in the Yukon Territory and to amend other acts in relation thereto, be read the second time and referred to a committee.

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

(Division No. 107)

YEAS

Members

Adams	Allmand
Althouse	Anawak
Anderson	Arseneault
Assad	Assadourian
Asselin	Axworthy (Winnipeg South Centre)
Baker	Barnes
Bellehumeur	Bellemare
Berger	Bergeron
Bernier (Gaspé)	Bertrand
Blaikie	Bodnar
Bonin	Bouchard
Boudria	Bryden
Bélair	Bélisle
Caccia	Calder
Campbell	Cannis
Canuel	Caron
Chamberlain	Charest
Chrétien (Frontenac)	Clancy
Collenette	Collins
Copps	Cowling
Crawford	Culbert
Dalphoné—Guiral	Daviault
Debien	de Jong
de Savoye	Deshaies
DeVillers	Dhaliwal
Dromisky	Duceppe
Duhamel	Dumas
Easter	English
Fewchuk	Fillion
Finestone	Finlay
Flis	Fry
Gaffney	Gagliano
Gagnon (Bonaventure—Îles-de-la-Madeleine)	Gagnon (Québec)
Galloway	Gauthier (Ottawa—Vanier)
Gauthier (Roberval)	Gerrard
Godfrey	Godin
Goodale	Graham
Gray (Windsor West)	Grose
Guarnieri	Guay
Guimond	Harb
Harvard	Hickey
Hopkins	Hubbard
Ianno	Iftody
Irwin	Jackson
Jacob	Jordan
Karygiannis	Keyes
Kirkby	Knutson
Kraft Sloan	Landry
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lavigne (Verdun—Saint-Paul)
Lebel	Leblanc (Longueuil)
Lee	Lefebvre
Leroux (Richmond—Wolfe)	Lincoln
Loubier	MacAulay
MacLellan (Cape/Cap Breton—The Sydneys)	Maloney

Supply

Manley
 Marleau
 Massé
 McKinnon
 McLellan (Edmonton Northwest)
 McWhinney
 Mifflin
 Mills (Broadview—Greenwood)
 Murphy
 Ménard
 Nunez
 O'Reilly
 Pagtakhan
 Patry
 Peters
 Picard (Drummond)
 Pillitteri
 Pomerleau
 Richardson
 Ringuette—Maltais
 Rocheleau
 Sauvageau
 Shepherd
 Skoke
 St-Laurent
 Steckle
 Stewart (Northumberland)
 Taylor
 Terrana
 Tobin
 Tremblay (Rimouski—Témiscouata)
 Valeri
 Verran
 Walker
 Wells
 Wood
 Zed—183

Marchand
 Martin (LaSalle—Émard)
 McGuire
 McLaughlin
 McTeague
 Mercier
 Milliken
 Mitchell
 Murray
 Nault
 O'Brien
 Ouellet
 Paré
 Peric
 Phinney
 Pickard (Essex—Kent)
 Plamondon
 Regan
 Rideout
 Robinson
 Rock
 Serré
 Simmons
 Speller
 St. Denis
 Stewart (Brant)
 Szabo
 Telegdi
 Thalheimer
 Torsney
 Ur
 Venne
 Volpe
 Wappel
 Whelan
 Young

(1805)

The Speaker: I declare the motion carried.

(Bill read the second time and referred to a committee.)

* * *

SOCIAL SECURITY PROGRAMS

The House resumed from November 3 consideration of the motion that Bill C-54, an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act, be read the second time and referred to a committee.

The Speaker: Pursuant to an order made Thursday, November 3, 1994, the House will now proceed to the taking of the deferred division at second reading stage of Bill C-54, an act to amend the Old Age Security Act, the Canada Pension Plan, the Children's Special Allowances Act and the Unemployment Insurance Act.

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

*(Division No. 108)***YEAS**

Members

Abbott
 Adams
 Althouse
 Anderson
 Assad
 Axworthy (Winnipeg South Centre)
 Barnes
 Benoit
 Bertrand
 Bodnar
 Boudria
 Brown (Calgary Southeast)
 Bélair
 Calder
 Cannis
 Chatters
 Collenette
 Copps
 Crawford
 Cummins
 DeVillers
 Dromisky
 Duncan
 English
 Fewchuk
 Finlay
 Forseth
 Gaffney
 Gagnon (Bonaventure—Îles-de-la-Madeleine)
 Gauthier (Ottawa—Vanier)
 Gilmour
 Goodale
 Graham
 Grey (Beaver River)
 Grubel
 Hanger
 Harb
 Harper (Simcoe Centre)
 Hart
 Hayes
 Hickey
 Hoepfner
 Hubbard
 Ifody
 Jackson
 Jordan
 Kerpan

Ablonczy
 Allmand
 Anawak
 Arseneault
 Assadourian
 Baker
 Bellemare
 Berger
 Blaikie
 Bonin
 Breitkreuz (Yellowhead)
 Bryden
 Caccia
 Campbell
 Chamberlain
 Clancy
 Collins
 Cowling
 Culbert
 de Jong
 Dhaliwal
 Duhamel
 Easter
 Epp
 Finestone
 Flis
 Fry
 Gagliano
 Galloway
 Gerrard
 Godfrey
 Gouk
 Gray (Windsor West)
 Grose
 Guarnieri
 Hanrahan
 Harper (Calgary West)
 Harris
 Harvard
 Hermanson
 Hill (Macleod)
 Hopkins
 Ianno
 Irwin
 Jennings
 Karygiannis
 Keyes

NAYS

Members

Abbott
 Benoit
 Brown (Calgary Southeast)
 Cummins
 Epp
 Gilmour
 Grey (Beaver River)
 Hanger
 Harper (Calgary West)
 Harris
 Hayes
 Hill (Macleod)
 Jennings
 Manning
 Mayfield
 Meredith
 Morrison
 Ringma
 Silye
 Speaker
 Williams—41

Ablonczy
 Breitkreuz (Yellowhead)
 Chatters
 Duncan
 Forseth
 Gouk
 Grubel
 Hanrahan
 Harper (Simcoe Centre)
 Hart
 Hermanson
 Hoepfner
 Kerpan
 Martin (Esquimalt—Juan de Fuca)
 McClelland (Edmonton Southwest)
 Mills (Red Deer)
 Penson
 Schmidt
 Solberg
 Strahl

PAIRED MEMBERS

Members

Bachand
 Bevilacqua
 Chan
 Crête
 Dubé
 Lalonde
 Peterson
 Sheridan

Bernier (Mégantic—Compton—Stanstead)
 Brien
 Cohen
 Dingwall
 Eggleton
 Leroux (Shefford)
 Proud
 Tremblay (Rosemont)

Private Members' Business

Kirkby	Knutson
Kraft Sloan	Lavigne (Verdun—Saint-Paul)
Lee	Lincoln
MacAulay	MacLellan (Cape/Cap Breton—The Sydneys)
Maloney	Manley
Manning	Marleau
Martin (Esquimalt—Juan de Fuca)	Martin (LaSalle—Émard)
Massé	Mayfield
McClelland (Edmonton Southwest)	McGuire
McKinnon	McLaughlin
McLellan (Edmonton Northwest)	McTeague
McWhinney	Meredith
Mifflin	Milliken
Mills (Broadview—Greenwood)	Mills (Red Deer)
Mitchell	Morrison
Murphy	Murray
Nault	O'Brien
O'Reilly	Ouellet
Pagtakhan	Patry
Penson	Peric
Peters	Phinney
Pickard (Essex—Kent)	Pillitteri
Regan	Richardson
Ringma	Ringuette—Maltais
Robinson	Rock
Schmidt	Serré
Shepherd	Silye
Simmons	Skoke
Solberg	Speaker
Speller	St. Denis
Steckle	Stewart (Brant)
Stewart (Northumberland)	Strahl
Szabo	Taylor
Telegdi	Terrana
Thalheimer	Tobin
Torsney	Ur
Valeri	Verran
Volpe	Walker
Wappel	Wayne
Wells	Whelan
Williams	Wood
Young	Zed—178

(1810)

The Speaker: I declare the motion carried.

(Bill read the second time and referred to a committee.)

The Deputy Speaker: It being 6.15 p.m., the House will now proceed to the consideration of Private Members' Business as listed on the Order Paper.**PRIVATE MEMBERS' BUSINESS***[English]***COMMUNICATIONS SECURITY ESTABLISHMENT****Mr. Derek Lee (Scarborough—Rouge River, Lib.)** moved:

That, in the opinion of this House, the government should amend the Canadian Security Intelligence Service Act to authorize the Security Intelligence Review Committee to review the operations of the Communications Security Establishment (CSE).

He said: Mr. Speaker, I am pleased to commence debate on a motion that I regard as important. Hopefully it will prove to be important to Canadians in the years to come if it is adopted by the House. The motion reads:

That, in the opinion of this House, the government should amend the Canadian Security Intelligence Service Act to authorize the Security Intelligence Review Committee to review the operations of the Communications Security Establishment (CSE).

From here on in I will refer to the Communications Security Establishment as CSE; the acronym is a lot easier to say.

The motion that CSE be reviewed is not a one-shot deal. It is intended that the monitoring continue on an ongoing basis just as the Security Intelligence Review Committee now reviews the operations of the Canadian Security Intelligence Service.

The Communications Security Establishment, CSE, was born in signals interception and code breaking developments during World War II. It was established in 1941 as the examination unit of the National Research Council. For the first part of its existence the examination unit was given particular responsibility for intercepting and analysing the communications of the Vichy government in France and the government in Germany.

NAYS

Members

Asselin	Bellehumeur
Bergeron	Bernier (Gaspé)
Bouchard	Bélisle
Canuel	Caron
Chrétien (Frontenac)	Dalphond—Guiral
Daviault	Debien
de Savoye	Deshais
Duceppe	Dumas
Fillion	Gagnon (Québec)
Gauthier (Roberval)	Godin
Guay	Guimond
Jacob	Landry
Langlois	Laurin
Lavigne (Beauharnois—Salaberry)	Lebel
Leblanc (Longueuil)	Lefebvre
Leroux (Richmond—Wolfe)	Loubier
Marchand	Mercier
Ménard	Nunez
Paré	Picard (Drummond)
Plamondon	Pomerleau
Rocheleau	Sauvageau
St-Laurent	Tremblay (Rimouski—Témiscouata)
Venne—45	

PAIRED MEMBERS

Members

Bachand	Bernier (Mégantic—Compton—Stanstead)
Bevilacqua	Brien
Chan	Cohen
Crête	Dingwall
Dubé	Eggleton
Lalonde	Leroux (Sheffield)
Peterson	Proud
Sheridan	Tremblay (Rosemont)

Private Members' Business

It is estimated that by 1944 there were about 45 employees in the examination unit among whom were some very specialized people capable of thinking and communicating in what we call ciphers and codes.

In April 1975 control and supervision of the Communications Security Establishment was transferred by an order in council under the Public Service Rearrangement and Transfer Duties Act from the National Research Council to the Department of National Defence.

The CSE was officially acknowledged finally by the Canadian government, as I understand it for the first time, when on September 22, 1983 the Hon. Jean-Luc Pepin, then Minister of State for External Relations, stated in the House:

The Communications Security Establishment advises on, and provides the means of ensuring the security of federal government communications. It also provides, with the support of the Canadian Forces Supplementary Radio System, a service of signals intelligence in support of Canada's foreign and defence policies. I should explain that "signals intelligence" is the term given to information gathered about foreign countries by intercepting and studying their radio, radar and other electronic transmissions.

What about the budget of CSE? How much money does it spend? Actually we in Parliament who authorize expenditures for all government spending do not know because we have never been told. The question has been asked but it has never been answered.

However in 1991 it was estimated by a journalist who was well schooled on the issue—he did a lot of research and published a series of articles in the Toronto *Globe and Mail*—that the budget in 1991 was about \$100 million to \$125 million and that CSE employed about 800 persons.

As an aside here, what I know as a member of Parliament on the subject has come from a journalist. It has not come from questioning in parliamentary committees or in the House. We cannot find out here. In order to find this out I had to buy a copy of the *Globe and Mail*. That should say something about the process.

(1820)

What does CSE do in its functions? We should look at that a little more closely but not too closely. CSE has a two-part mandate: first, the collection of signals intelligence on the diplomatic, military, economic, security and commercial activities, the intentions and capabilities of foreign governments, individuals and corporations. Second, it consults on the security of the communications of the Government of Canada.

We are led to believe that it is good at both tasks. The first part of the mandate is the signals intelligence program, the gathering of signals and their analysis, decoding analysis and analysis of the data. CSE with the support of the Canadian forces supplementary radio system collects, studies and reports on foreign

radio, foreign radar, and other foreign electronic signals emissions to provide foreign intelligence to our government. As we will see later, some intelligence data can be and are shared from time to time with other governments.

CSE maintains signals interception facilities in several locations around the world. It uses a set of sophisticated technologies to decode and interpret. It uses leading edge induction technologies that permit it to read what is on a computer screen from a remote location. It uses voice recognition technologies and key word technologies which, with the assistance of sophisticated computers, are able to analyse and retrieve data on subjects and persons.

Presumably it intercepts signals to and from locations all over the world. At least it has the ability to do so. One would presume that it is capable of and does intercept signals sent from Canada to other parts of the world and from other parts of the world to Canada.

I do not read through that list to alarm anyone. It should not be a surprise to any member. These technologies and these functions are routinely used by most industrial countries in their gathering of foreign intelligence. I wanted to put on record that these technologies are out there and we are using them in foreign intelligence gathering functions.

What is the chain of command for CSE? Who is in charge? Who does it report to? I guess it is a bit of a puzzle but fortunately CSE through its executive and the government has been fairly forthright on that issue. It has done it over the last few years. It has not hidden it at all.

The Minister of National Defence is accountable to Parliament for the spending of CSE. The minister approves CSE's major capital expenditures, its annual multi-year operation plan, and with the cabinet committee on security and intelligence the major CSE initiatives with significant policy or legal implications.

The chief of CSE is accountable to the Minister of National Defence for financial and administrative matters but to the deputy clerk of security and intelligence in the Privy Council office for policy and operational matters. There is a two-headed management structure in place here. One is the Department of National Defence through the minister and the other is the Privy Council office, the head of which is the clerk and the political head of which is the Prime Minister.

I would note as well that the major client of CSE is the Department of Foreign Affairs and International Trade, being the major consumer of foreign intelligence data. In addition we are told in Parliament that arrangements have been put in place to ensure that CSE responds to the government's foreign intelligence requirements in a manner that is lawful, effective and sensitive to changes in international relationships.

Private Members' Business

(1825)

I would note as well that CSE and its administrative head in the PCO have appeared co-operatively before the national security subcommittee in Parliament. That occurred at the end of the last Parliament. The amount of information conveyed was a lot less than members had hoped for, but we believe a relationship was established at that time.

In terms of communication security, the second part of its mandate, CSE is responsible for developing standards on electronic communications security for the approval of the Treasury Board, advising on the application of those security policies, and providing cryptographic material and documentation to appropriate government institutions. That is the coding exercise which prevents unauthorized parties from listening to or understanding intragovernment communications.

Also it works with international agreements in the communications and electronic security and signals intelligence programs and approves the release of classified or controlled communications security information and assets to government and non-government entities.

It reports to Treasury Board, when requested, on communications security. In fact members of Parliament rely on CSE expertise in protecting the security of our own internal communications in and around Parliament.

CSE provides a research, development and evaluation capability on security aspects of computer hardware, software and communications systems to ensure information is available to the government on the security of its computer systems and use in government.

As I mentioned before, the Department of Foreign Affairs and International Trade is the major client but there are other clients of CSE signals intelligence data. They include the Royal Canadian Mounted Police, the Canadian Security Intelligence Service and other government departments with an interest in security matters. All those exchanges of information are done by a tasking mechanism governed by memoranda of understanding, or so we are told.

Through the department of foreign affairs CSE exchanges signals intelligence data with foreign governments again through memoranda of understanding. We have never been told with whom. We can only guess.

CSE is a full partner in the U.K.-U.S.A. agreement which structures electronic signals intelligence sharing among the United Kingdom, the United States, Australia, Canada and more recently New Zealand. Again memoranda of understanding are said to be in place.

There are two questions. One is on the efficacy of CSE's spending and the other is on the potential impact of what CSE does on the rights and liberties of Canadians, given the extensive and intrusive powers of CSE.

Four years ago members of Parliament completed a five-year review of the Canadian Security Intelligence Service Act. That five-year review, after five years of operation, reported to the House in a report called "In flux but not in crisis". I read one excerpt from it that is most relevant:

While the Committee found no evidence of abuse by other agencies, it believes that a number of other collection agencies have a substantial capacity to infringe on the rights and freedoms of Canadians. The capacity of the Communications Security Establishment is a case in point. This organization clearly has the capacity to invade the privacy of Canadians in a variety of ways. It was established by Order in Council, not by statute, and to all intents and purposes is unaccountable. As such, the committee believes that the Communications Security Establishment should have a statutory mandate that provides for the review and oversight mechanisms for the agency.

(1830)

The recommendation of the committee, which I point out was supported by all parties in the House of Commons, was that Parliament formally establish the CSE by statute, and second, establish the Security Intelligence Review Committee as the body responsible for monitoring, reviewing and reporting to Parliament on the activities of CSE concerning its compliance with the laws of Canada.

There was not an effective response to this from the government. In fact of the 117 recommendations in that unanimous report of members of Parliament I believe the government gave a favourable response to one. Someone once suggested it was one and a half, but it was not a meaningful reply, to say the least.

What is this proposal? Why do I reiterate the recommendation and proposal of that five year CSIS review?

Let us look at what SIRC does. SIRC does two principal things. It deals with appeals by individuals regarding complaints they have in relation to security clearance procedures and requests for security clearance. That comes from individuals in all departments of government. It is multi-agency in scope.

Second and most important is that SIRC reviews the work of the Canadian Security Intelligence Service for compliance with the statutory mandate of CSIS and the policies that are articulated thereunder, and for compliance with the laws of Canada. It also looks from time to time at the issue of management efficacy within CSIS.

SIRC, the Security Intelligence Review Committee, has access to all persons and documents within CSIS for the purpose of carrying out its role. It does it on behalf of Parliament and it reports to Parliament. I and others believe that SIRC is capable

Private Members' Business

of fulfilling the same function for CSE with only a marginal increase in expenditure.

We believe, and I am firmly supportive of this, that if Parliament adopted this motion, if the government implemented it, it would be a cost effective adoption of the concept of review and oversight already adopted by Parliament and working reasonably satisfactorily.

I want to read something from the McDonald commission, which is starting to look awfully long in the tooth but is still quoted extensively in these areas. The August 1981 second report of the McDonald commission indicates there is a serious moral issue involved in the way government deals with security intelligence matters.

I see my time is running short so I will not read all of it but I certainly want to incorporate that reference in my remarks here today.

I am not saying that the CSE is out there breaking laws now. It tells us it is not. However, it does have the means to invade the communications privacy of Canadians in ways beyond the comprehension of most of us.

Why wait for a scandal, why wait for an embarrassment, why wait for someone to make a mistake inadvertently, or advertently within CSE? Let us develop now a mechanism which will cause CSE to know that it is accountable to Canadians through Parliament and through the Security Intelligence Review Committee. Then the universe can unfold. Everyone will know what the rules are. Everyone within CSE will know who the players are and what the program is.

I want to point out that SIRC reports that CSIS is already routinely making use of CSE shared data and denoting that in the CSIS data base. Therefore SIRC clearly has an interest in this.

(1835)

I quote a former chairman of the Security Intelligence Review Committee, Mr. Ron Atkey. "We are not looking for a new, additional assignment. We have plenty to do. However, we cannot fail sometimes to observe the absence of review mechanisms in other parts of the intelligence system". He was speaking specifically about CSE.

As I wrap this up, I realize that Parliament will have an opportunity to continue to debate this issue for a period beyond today and that the matter should come to a vote in due course.

I ask all members to consider carefully my remarks and the remarks of other colleagues, and to make a reasoned decision about this when we are called on to adopt this motion.

[Translation]

Mr. François Langlois (Bellechasse, BQ): Mr. Speaker, allow me to first congratulate the member for Scarborough—Rouge River, who also happens to be chairman of the Sub-committee on National Security, on presenting motion M-38 to the House.

Who could be in a better position to present such a motion than the chairman of the Sub-committee on National Security! I believe that this is tangible proof that we need better control. I support the motion presented by the member for Scarborough—Rouge River, subject to some reservations I will explain and a few changes I will suggest.

When talking about an agency such as CSE, the Communications Security Establishment, it is good to give a brief historical background. My colleague for Scarborough—Rouge River went back to 1941, but I would like to review, if I may, the legal instruments which, during the post-war era, produced this institution as we know it today.

CSE first started as a unit of the National Research Council, under Order in Council 54-3535 dated April 13, 1946. CSE was the successor to the civilian and military intelligence services which, during the war, had worked in co-operation with similar British and American services.

On April 1, 1975, responsibility for this communications unit of the National Research Council passed to the Department of National Defence. CSE's mandate was never officially defined by a statutory instrument, but it is generally understood that its mandate should be limited, by the Privy Council, to Canada's external security.

While we are entitled to expect that CSE's activities are targeting communications from or to foreign countries, or relating to foreign embassies, or any communications involving at least one foreigner, recent and serious allegations lead us to believe that CSE may have intercepted, without any legal mandate, with or even without ministerial authority, conversations and communications between Canadians, in Canada, and that it may even have eavesdropped on leaders of the Quebec sovereigntist movement who are operating legally and legitimately.

Since CSE is accountable only to the Privy Council, its executives and its agents may have become somewhat too lax. Therefore, it seems imperative for the Security Intelligence Review Committee, commonly known as SIRC, to review the operations of CSE, while, of course, maintaining the authority of Parliament and of the Sub-committee on National Security over CSE's activities.

Private Members' Business

(1840)

However, like Caesar's wife the SIRC must be above suspicion but, unfortunately, this not the case at the present time. This review committee is made up of five members. Three were appointed on the recommendation of the party which governed during the 34th Parliament, the Conservative Party. These three appointees are Mr. Jacques Courtois, Mr. Edwin Goodman and Mr. George Vari.

There are, therefore, more Conservative members in this committee than in this House. We can see, already, that the Official Opposition is not represented on the committee, and this is not acceptable.

Another member is Mrs. Rosemary Brown, Chair of the Ontario Human Rights Commission. She is working full time for that organization and we did not have a chance to meet her when the SIRC appeared before the Sub-committee on National Security. Mrs. Brown was appointed on the recommendation of the New Democratic Party which was then the third party in the House, but has now lost its party status.

Finally, the last member is Mr. Michel Robert, whose qualifications we will not contest. Our only questions are: Could Mr. Robert be slightly over-worked, since on top of being a member of the SIRC he is also working, at the government's request, on a settlement in Oka? On the one hand he must work with ministers of the Crown, and on the other he must investigate the activities of the Canadian Intelligence Security Service. Maybe he should drop one job and concentrate on the one he is best suited for.

But in order to have a watchdog, a review committee, a renewed SIRC instead of the "circus" we have at present, it is imperative that the current members of the committee resign so that new appointments can be made that better reflect the 35th Parliament. This way, three appointments could be made by the government on the recommendation of a minister of the Crown, in all likelihood a Liberal, one on the recommendation of the Official Opposition and one more on that of the third party, that is to say the Reform Party of Canada. This would be an example of democracy in action, since the SIRC, like the Senate, remained unchanged after the election.

So, I do support the motion before us, but at the condition that new members be appointed to the SIRC, especially since the current members systematically refused, when testifying before the national security committee on September 13, to answer questions put to them by the committee on behalf of the House of Commons which is supreme in that respect.

How could we trust any longer individuals who refuse to co-operate with the elected representatives of the people and hide behind an overly finicky interpretation of Section 54 of the

National Security Act to say that they account to the minister and nobody else? I am sorry, Mr. Speaker, but as long as the members of the SIRC will claim to be accountable only to the minister, there will be a serious credibility problem with the very institution of Parliament as well as with the House of Commons, as a component of the Parliament of Canada. The SIRC members must be replaced with individuals who understand that, until the contrary be proved, in this country, the lawful, fundamental and primary authority rests with the representatives elected by the people to sit in this House.

(1845)

I will conclude with the following amendment proposal: I move, seconded by my colleague from Berthier—Montcalm:

That the motion be amended by adding after the words "Establishment (CSE)" the following: "and to table an annual report in the House on the aforementioned activities".

The Deputy Speaker: I declare the amendment in order.

[English]

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, it is my pleasure today to speak to the motion put forth by the hon. member for Scarborough—Rouge River.

The question today is not whether this House should support this motion but rather why has it taken so long to be considered. More than 10 years ago Parliament passed legislation ensuring that the activities of the Canadian Security Intelligence Service were reviewed by an independent body.

Nobody on the government side of this House would suggest that CSIS should not have an oversight body. Yet a few weeks ago ministers tried to convince this House and all Canadians that the Communications Security Establishment did not require a review body. In response to a number of questions put to her by the official opposition, the Deputy Prime Minister used the following response over and over again: "The CSE has no mandate to spy on Canadians".

This response is interesting for a couple of reasons. First, the Deputy Prime Minister was not asked about the mandate of the CSE. She was asked if it ever spied on Canadians. She refused to answer that question, opting instead to refer to the mandate of the CSE. Let us look at the mandate of the CSE. Actually, I would love to look at the mandate of the CSE but I cannot. It does not appear to have one, certainly not by statute.

In September 1990 the special committee on the review of the Canadian Security Intelligence Service Act and the Security Offences Act tabled its report entitled "In Flux, But Not in Crisis". On page 153 of this report there is the following passage on the CSE:

Private Members' Business

This organization clearly has the capacity to invade the privacy of Canadians in a variety of ways. It was established by order in council, not by statute, and to all intents and purposes is unaccountable. While the committee understands that this agency must be shrouded in secrecy to some degree, it believes that Canadians should be in a position to understand what the organization does and should not have to wonder whether their rights and freedoms have been infringed. The committee has evidence that both the RCMP and the service have asked the CSE for assistance and as such, the committee believes that the Communications Security Establishment should have a statutory mandate that provides for review and oversight mechanisms for the agency.

Here we have an all party committee of the last Parliament calling for an oversight and review of the CSE. It is not surprising that one of the members of that special committee was the hon. member for Scarborough—Rouge River. He recognized then that there was a need for accountability and he continues to call for that accountability. Unfortunately his call has not been heard by members of his own party who sit in cabinet.

The Minister of National Defence believes there is already sufficient review of the CSE.

(1850)

In response to a question from the official opposition on October 24 the minister made the following comments: "With respect to the CSE in particular, it is a fully constituted part of the Department of National Defence. The Communications Security Establishment reports to the Minister of National Defence who is a member of cabinet and who answers to this House of Commons".

The minister believes he has firm control of the CSE and that his being held accountable in the House is sufficient. Perhaps the minister should review the contents of the government's response to the special committee report "In Flux" entitled: "On Course: National Security for the 1990s". On pages 54 and 55 of this report the following statement is made: "CSE is under the control and supervision of the Department of National Defence". This is totally consistent with the comments of the current Minister of National Defence. "The chief of CSE is accountable to the deputy minister of national defence for financial and administrative matters and to the deputy clerk, security intelligence, and counsel, in the Privy Council Office for policy and operational matters".

Does this sound like a fully constituted part of the Department of National Defence like the minister suggests? He only has control of CSE's finances and administration. He does not have control of CSE's policies or operations. How can he be accountable?

Actually there is another interesting comment in "On Course". The previous government stated that it had been considering providing the Minister of National Defence with some additional capacities for review of the CSE. This statement would suggest that even the minister did not have

complete authority to review the operations of the CSE. If the CSE does not have to answer to the minister, who is it accountable to?

That is why we are addressing this motion today. In this day and age Canadians will not accept comments from a minister that everything is okay, trust me. There has to be some form of external review.

It is well known that I am not a big supporter of the Security Intelligence Review Committee. I feel like my official opposition members that there are some real problems with the appointment to SIRC but I do feel it is a logical body and is in place to perform this review.

Canadians recently got their first significant look at the CSE with the release of the book *Spyworld*. It was written by a former employee of the CSE and provides Canadians with a glimpse of one portion of that organization.

When it was released *Spyworld* created a minor sensation with some of its accusations that the CSE had been used to spy on Margaret Trudeau, on some of Margaret Thatcher's cabinet ministers and on René Lévesque.

These incidents are peripheral events in the book. Barely any script is used to describe those incidents. However, they did emphasize the need for external review for the CSE.

It did not appear that anybody was up in arms with the main thrust of the book which was that Canada intercepts communications for intelligence purposes. It was only a few questionable incidents that caused the furor. While electronic eavesdropping may be offensive to some, it is a fact of life in today's electronic information highway.

Is our government outraged at the prospect of other countries intercepting our government communications?—no. Instead it has taken measures to combat it. Offices are electronically swept and phones are encrypted. It is part of today's reality. Similarly, no one is overly concerned that Canada may be doing the same thing to others.

As "In Flux" states, this organization clearly has the capacity to invade the privacy of Canadians in a variety of ways. This is confirmed in the book *Spyworld* when the author states that when CSE employees were testing or tuning their equipment they routinely listened to the conversations of Canadians. It is that capacity that has to be monitored to ensure that it is not abused.

(1855)

The best way to ensure that there are no abuses is to open the operations of the CSE to external review. I therefore call upon all members of this House to support this motion put forth by the hon. member from Scarborough—Rouge River.

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Mr. Tom Wappel (Scarborough West, Lib.): Mr. Speaker, I was very pleased to second the motion put forward by my colleague and neighbour from Scarborough—Rouge River. I did so because I believe that as always my colleague has approached this matter from a clear, analytical, legal point of view, has investigated the situation to his satisfaction and has proposed a solution that he believes and I believe to be reasonable.

What I want to do in the 10 minutes that I have is just take a look quickly at the nature of the motion, why I support it and what the problems are that I see. If this motion were to pass it would send a signal to the government that the Communications Security Establishment should be under the watchful eye, if I can put it that way, of the Security Intelligence Review Committee which is a civilian review committee made up of privy councillors. Their current job is to keep a watchful eye on the Canadian Security Intelligence Service.

In order to make some sense of this, we have to know what we are talking about. What is the Communications Security Establishment? It sounds like a very laundered, nice, clean phrase. To me it is like a shadow. One can see a shadow if one knows where to look but one cannot touch it, feel it, speak to it. One cannot get answers from it and that is a problem. Like a shadow it can loom large, it can be small, it can move away. Like a shadow it can be there when we do not even notice it. I am not saying it is a problem, it is a potential problem.

What does it do? What is the Communications Security Establishment? In order to know what it does, we have to look at something called foreign intelligence. What is foreign intelligence? I am quoting from the Department of the Solicitor General: "Foreign intelligence refers to intelligence or information concerning the capabilities, intentions or activities of foreign states, corporations or persons. It may include information of a political, economic, military, scientific or social nature and can produce information with security implications".

From everything I know about CSE, it certainly would fit within that definition. It has two functions. Before I get to those two functions, I want to remind this House that the CSE does not exist alone in the world. There are comparable organizations in other countries and it might be interesting to let the House know what those organizations are so that we can see where Canada fits in.

In the United States there is such an agency. It is called the National Security Agency. In the United Kingdom it is called the Government Communications Headquarters. In Australia it is called the Defence Signals Directorate and in New Zealand it is called the Government Communications Security Bureau.

Communications is the link here but it is not communicating. It is listening to communications. The question whose communications is it listening to? Might it be our own private communications? We do not know.

How did CSE come to be? How did the shadow come to exist? Was it an act of the Parliament of Canada?—no. It was by executive order, by order in council. This is a very significant point because it is therefore not a creature of statute and I want to refer to that near the end of my remarks.

(1900)

Having been created by order in council, what is its purpose? What does it do? Well, we are told that it has a signals intelligence capability sometimes known as SIGINT, that is offensive in nature. I guess that means it is intrusive. It listens in on conversations. Then there is an information or communications security component sometimes known as INFOSEC or COMSEC. These sound like codes to launch missiles from a site in Boulder, Colorado. INFOSEC or COMSEC is a defensive capability.

We are told by Ward Elcock, who at that time was the deputy clerk and in charge of at least a portion of CSE, that one of the functions of COMSEC deals with security of communications of the Government of Canada. It is very important. The second responsibility is the collection of signals intelligence which is intended to provide the government with foreign intelligence on the diplomatic, military, economic, security and commercial activities, intentions and capabilities of foreign governments, individuals and corporations. I suppose there is nothing wrong with that. We want to make sure we are protected in this country.

That is what it does, assuming anybody can understand INFOSEC, COMSEC, SIGINT, et cetera. Presumably the people who work there—the chief as he is called or perhaps it is a she now, we do not know—they know what it is supposed to do.

One might say fine, we know how it was created. We know what it does. To whom does it report? That is a legitimate question. Since there is no statute one can assume it does not report to Parliament. Guess what? We are right. It does not report to Parliament. Presumably it reports to the Minister of National Defence. The Minister of National Defence is supposed to report to Parliament. The chief, who I mentioned before also reports to the deputy minister of National Defence for financial and administrative matters interestingly enough, and also to the deputy clerk, subtitled security and intelligence and counsel, in the Privy Council Office for other matters.

What is the missing link? The people of Canada. The missing link is this Parliament. Is that a problem? As I see it there is a problem. There is no legislative mandate upon which to found

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the intrusive actions of this particular agency, or I should say potentially intrusive, on Canadians.

There are no written rules by way of statute or regulations. There may be written rules that the chief from time to time issues or the deputy clerk, or the deputy minister, or the Minister of National Defence. If there are written rules in effect they are unknown rules, certainly unknown by the people of Canada.

Without public scrutiny I maintain there is a credible argument to say there are no proper controls. After all if everything is done behind closed doors how can one ever know if the controls were properly applied? What is more important, there is no monitoring to ensure that laws are not being broken and that if laws are broken that there is some mechanism to deal with that. To me that is a major potential problem.

Contrast this to our own spy agency. We do not call this a spy agency; we call it the Communications Security Establishment. However our own spy agency which we acknowledge is a spy agency was created under statute by this Parliament. It was given rules by this Parliament. It reports to a minister who then reports to this House yearly. It is required in effect to be monitored by the Security Intelligence Review Committee, which as I said is a civilian agency.

I have to ask myself, if it is good enough for our spy agency why is it not good enough for our Communications Security Establishment? Indeed, this is not some flash that I had. This was recognized in the parliamentary committee report "In Flux but not in Crisis" that my various colleagues have talked about. It recommended not only as this motion does that SIRC should review CSE's work, but also that CSE should be formally created by statute.

(1905)

I certainly support both of those recommendations which indeed were unanimous. I cannot see any logical basis in a democracy not to have the Parliament of Canada through some committee review this agency. I am pleased therefore to support the motion.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, for months now the official opposition has been alerting the government about this national security problem. The opposition has questioned the government repeatedly in an attempt to find out who controlled whom, who ordered this or that job, exactly who asked for which investigation, but has never been given an answer.

And yet some questions were easy to answer. We were just asking for the names of people who are paid out of Canadian and Quebec taxpayers' money, but to no avail. I personally asked, in all sincerity, who was controlling the spies in this country,

specifically with regard to CSE, but never got any answer. The official opposition received no satisfactory answer and neither did millions of Quebecers and Canadians. This is clear from the newspapers and editorials.

Our worries began with the disconcerting revelations about the illegal activities of the Canadian Security Intelligence Service. These were followed by the new revelations about the Communications Security Establishment, which only added to our fears and confirmed that nobody was keeping an eye on the spies in this country, which prides itself on being democratic and one of the best countries in the world.

After weeks of waiting, what is the government offering us to set our minds, and those of taxpayers, at rest? Nothing. Finally, a government backbencher was moved to present the following motion: "That, in the opinion of this House, the government should amend the Canadian Security Intelligence Service Act to authorize the Security Intelligence Review Committee to review the operations of the Communications Security Establishment". This is a very telling motion, one which confirms our concerns and one which, in particular, proves that the official opposition was right.

First of all, the member is to be congratulated for having understood the official opposition's indignation on this issue. He is unfortunately one of the few to have understood our legitimate concerns, or rather he is one of the rare members of the present Liberal government who, upon crossing the floor, did not change his position on national security.

Need I remind you that when they were in opposition, the Liberals demanded exactly what we have been demanding for months, that is, more parliamentary control over spy organizations in Canada? We only have to read House and committee minutes to see that, in their lean years, the Liberals were calling for more openness. The times have changed now that their bellies are full. True, the carelessness and lack of action are typical of current-day Liberals, but it is still amazing in this field.

I must conclude that we will have to be satisfied with this motion when disclosures and allegations of illegal activities by the CSE are increasing and suspicion becomes the rule. What will this motion accomplish? Will this proposed amendment, if it is adopted, reassure taxpayers? Will the proposed amendment allow us to find out exactly what the Communications Security Establishment does and how it uses the \$250 million—which is a very conservative estimate on my part—that this federal agency spends every year? This is a legitimate question we have a right to ask ourselves.

My constituents in the riding of Berthier—Montcalm are asking themselves this very question, and for good reason. To find out the answers, we must look at what the Security Intelligence Review Committee or SIRC has done in the past.

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(1910)

Since the past is an indication of the future, it is important to find out how these Sherlock Holmeses of national security, these truth seekers, these Colombos of Canadian espionage, these watchdogs of House secrecy, operate.

But, seriously, before putting an extra burden on these part-time defenders' frail shoulders, we must answer these questions. Putting the CSE under surveillance is a very good idea per se.

That is why I can tell you right away that I will support this motion. It is the organization to which we want to give this monitoring authority that is the problem. It is supposed to reassure the elected members and taxpayers, but its chairman says that in this service, they never say either yes or no; you will agree with me that that is not so reassuring.

As matters stand, we must answer no to the questions which I raised earlier. You will understand the reason for the Bloc Québécois's amendment about follow-up, asking SIRC to report to this House, so that this House can monitor the organization which is supposed to monitor the CSE.

Although the motion is acceptable to the Official Opposition and the law creating SIRC, although flawed, is acceptable, I still say to you that if I were the Solicitor General of Canada and had this law in my hands, you would not recognize it once it had been through my office, it would be changed so much. As the saying goes, we make do with what we got, so we must somehow manage with the law we have. So why does the Bloc Québécois always have concerns about SIRC? What worries us?

I think that my colleague in the Bloc Québécois, the member for Bellechasse, summarized it very well in his opening speech, supporting the position of the Official Opposition on this subject. It is not the container but the contents of SIRC that must be changed first of all!

The well-known Conservatives on it no longer have any legitimacy. They no longer have any business there. In my opinion, they never had any business there because SIRC should be non-partisan. But since the system is the way it is, let us keep following the rules.

Again, as I did in the past, I ask, and I hope they are watching, Mr. Jacques Courtois, Mr. Edwin A. Goodman, Mr. George W. Vari, and even Mrs. Rosemary Brown, whose party no longer exists either, at least officially, to resign so that SIRC will reflect the democratic reality of the current Parliament.

With a minimum of four new members and an expanded mandate, SIRC could fulfill its primary role of watchdog. Its monitoring responsibility could then be increased.

I am anxious to see the government's position regarding this motion. I hope the Liberals will support it, especially since it is a motion tabled by a government member, a backbencher but a Liberal member. I hope that the Liberals will gladly support the motion. If it is carried in its present form, that motion will expand the responsibility of the Security Intelligence Review Committee. Consequently, it is important to get things right from the start.

I will end by saying that, in SIRC's 1993-94 annual report, the author refers to William Pitt's line to the effect that where there is no law, tyranny takes hold. Mr. Speaker, I might add that this view is based on the premise that we can trust those who are supposed to apply the law and especially to monitor it. Thank you.

The Deputy Speaker: The hour provided for the consideration of Private Members' Business has now expired.

[English]

Pursuant to Standing Order 93 the order is dropped to the bottom of the order of precedence on the Order Paper.

ADJOURNMENT PROCEEDINGS

(1915)

[English]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

The Deputy Speaker: Under an agreement made today, the Parliamentary Secretary to the Minister of Canadian Heritage because of a misunderstanding will answer a question put by the hon. member for Calgary Southeast that was not answered last evening.

CRTC

Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage, Lib.): Mr. Speaker, last March the Minister of Canadian Heritage was approached in his constituency office by a constituent whom he had not met before and who he has not met since, to write a letter drawing the attention of the CRTC to his application for a radio licence.

The minister explained to this constituent that as the minister responsible, he could not interfere with the workings of the CRTC but he agreed as a member of Parliament to do his best to ensure that he was treated fairly.

On March 15 the minister wrote to the chairman of the CRTC in his capacity as the MP for this constituent, asking the commission to give the application a fair hearing. This was the letter of an MP seeking to ensure that a constituent received due process. The letter was not meant in any way to be an en-

dorsement of the licence application, nor was it intended to exert pressure on the CRTC.

On March 30 the CRTC acknowledged his letter, categorizing it as a letter in support of the licence applicant. That acknowledgement letter was never brought to his attention. If it had been he would have immediately rectified the matter.

As soon as he learned that one of the interested parties wrote to him in September regarding his "alleged support" for the licence application, he took immediate action. He wrote to the interested party clarifying his earlier letter and clearing up any misunderstanding. In this letter dated September 30 he wrote:

My letter of March 15, 1994 to the CRTC simply asked that due consideration be given to the application. It is not intended to convey support for or opposition to the application. The CRTC is the body mandated by law to make independent decisions on all such applications. It is, therefore, for the CRTC to weigh the merits of the arguments raised by the applicants and the interveners.

Members will note that he took these actions before the matter became public. He did his best to clear up the situation, not because of public or media pressure which did not exist at the time, but because it was the right thing to do.

JUSTICE

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Mr. Speaker, on October 25 I asked the Minister of Justice whether he would amend article 690 of the Criminal Code to correct inadequacies in that section of the code and in the process that that section sets out.

This is the section of the Criminal Code which allows the Minister of Justice to order a new trial when a person has been sent to prison wrongly, unjustly, due to a mistake, due to false evidence, due to the fact that evidence has been hidden, and so on. There have been many criticisms of the article in recent years.

We are all familiar with how the article has been used. It was used in the case of Donald Marshall who was in prison for 10 years for a crime he did not commit. It was used by David Milgaard who was in prison for 23 years and found to have been convicted on false evidence.

We have seen this happen in other countries too. Recently many of us saw the film *In the Name of the Father* about the Gilford four in England, the Irish people who were convicted by rigged evidence. It took them considerable time to have their case reviewed and to be released from prison. In the United States there is a famous case of Rubin Carter who was in prison for a long time and then released because it was found that there was a mistake.

This is the article that gives the Minister of Justice the power to order a new trial when it is found that a mistake has been made or false evidence or hidden evidence or new evidence has been brought to light.

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But the criticism is that while this is in principle a very good process, it is inadequate in that the delays are inordinately long. It took a considerable period of time for Donald Marshall and David Milgaard to take advantage of that section. The delays carried on and on.

Second, the whole process is carried on in secret and there is no accountability by the Minister of Justice and those who help him with these cases with respect to the public.

Third, the Attorney General in these matters serves both as the judge on those applications and the prosecutor and consequently there is a bit of incompatibility.

Finally the criteria for what will constitute sufficient new evidence or a mistake for release are vague and have varied from Ministers of Justice.

There have been several proposals to correct this. The major ones recently have been put forward by an organization called the association in defence of the wrongly convicted. The short word for that organization is AIDWYC. It had a conference in Toronto last February where they proposed certain changes to article 690 to make it more acceptable to take care of those, to have the whole process done in a much quicker way, to have it more accountable, to have it more objective and so on.

When will the Minister of Justice bring in changes to article 690 to accomplish some of the goals that have been put to him by such organizations as AIDWYC?

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General of Canada, Lib.): Mr. Speaker, I wish to inform the hon. member that the Minister of Justice is continuing to address the concerns of those who have criticized the s.690 process by improving its procedures.

Several steps have been taken to this effect. The minister's decision in the application regarding Colin Thatcher was published to make the public aware of how the process works and what principles apply to govern the use of the s.690 powers.

The department has also published a fact sheet that describes the criteria for applying, who can apply, how and where to apply and what information applicants need to complete their applications.

The published information also describes how applications are assessed. This information shows that a great deal of work goes into the assessment of an s.690 application. To do a conscientious and thorough job takes time. Sometimes applicants submit additional grounds to be considered for their s.690 review. When such submissions are received months or even years after the initial application this extends the amount of time needed to investigate and assess cases.

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I can assure the hon. member work is currently under way to reduce the inventory of applications and to process applications more swiftly.

Those who say that the process is not independent ignore the fact that the vast majority of s.690 applicants were prosecuted by provincial attorneys general. Thus, there are very few instances in which the Attorney General of Canada must consider a case that was prosecuted by his agent. When that happens from outside the department counsel are retained to assess the application and advise the minister.

It is the duty of those who assess the applications to examine them conscientiously and thoroughly as it is the minister's duty imposed upon him by Parliament to review the applications and make the necessary decisions.

The Deputy Speaker: Under Standing Order 38(5) a motion to adjourn the House is now deemed to have been adopted. Accordingly, the House stands adjourned until tomorrow at 2 p.m. under Standing Order 24.

(The House adjourned at 7.24 p.m.)

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