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Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Friday, June 16, 1995

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*Translation*]

MEMBERS OF PARLIAMENT RETIRING ALLOWANCES ACT

The House resumed from June 9 consideration of Bill C-85, an act to amend the Members of Parliament Retiring Allowances Act and to provide for the continuation of a certain provision; and of Motions Nos. 1 to 7.

The Deputy Speaker: Hon. members, the last time the House considered Bill C-85, the hon. member for Longueuil had four minutes left. Since he is not in the House today, the hon. member for Yellowhead has the floor.

[*English*]

Mr. Cliff Breitzkreuz (Yellowhead, Ref.): Mr. Speaker, before I comment directly on Bill C-85 I remind the House it has been almost two years since the government took over office and Canada's deficit. The problem still remains unresolved.

During the last 24 hours the deficit has increased by \$100 million and in the last hour the deficit has increased by \$4 million. Since I began speaking the deficit has increased by about \$40,000. When I am through with my remarks on the MP pension bill the deficit will have incredibly increased by about \$700,000. Our country's debt stands at over \$550 billion and the government has added about \$100 billion to the debt over the last couple of years.

(1005)

Into this kind of deficit disaster, this spending brinkmanship, the government introduced the outrageous, incredibly rich gold plated MP pension bill which government members are reluctant to debate in the House and which they certainly will not debate outside the House or across the country.

Government members should hang their heads in shame. Every member who votes for this bill, this elitist double standard bill, should be embarrassed. When MPs who support the bill go back to their ridings, how can they look their constituents straight in the eye and tell them they deserve a pension at least twice as rich as those of their constituents? For the 74 Liberal members of Parliament presently here, the trough heavies, how can they look their constituents in the eye and tell them they deserve a pension at least four times as rich as those of their constituents?

Politicians in Ottawa have created two sets of rules, one for the ruling elite and one for regular folks. A case in point recently of a double standard is the mileage allowance increase for MPs, about 12 per cent higher than is allowed in the private sector. Politicians set themselves apart, above regular folks.

I am talking about a double standard, which is really an euphemism for hypocrisy. The ultimate hypocrisy takes shape in the MP pension plan. It was an issue during the 1993 election campaign and it will grow to a major issue in the next election.

My constituents in the Yellowhead know what the federal government is doing about the gold plated pension plan and they do not like it one bit.

Sadly, the Liberal government lacks the intestinal fortitude to do the right thing and bring MP pension into line with pension plans available in the private sector. It is a double standard. Whether the Liberals want to accept it or not, we are all regular folks, just like the people who voted for us. Dignity and respect are in order for Canadians, not double standards or double talk.

There are many things hypocritical about Bill C-85, the pension bill. It allows benefits to accrue at double the rate legally allowed in the private sector under the Income Tax Act. Senior Liberal MPs, 74 of them with more than six years of service, will retain their gold plated pension and start collecting immediately on retirement regardless of age.

Seventy-four Liberal MPs even under the provisions of the bill will still receive a pension four times richer than most other Canadians'. Freshman MPs who opt into this new plan will still be part of a pension plan twice as generous as that available for most Canadians, and they can start collecting pensions at age 55. This group of MPs will also be able to collect 75 per cent of their salary after serving 19 years in office. Most Canadians have to

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work 35 years to collect a pension worth 70 per cent of their final income.

It is this kind of better than thou attitude Canadians are tired of. Average folks are being asked to tighten their belts, to pay more in the form of all kinds of taxes. MPs have created an insulated world for themselves which shields them from the financial burden regular Canadians are asked to carry.

Perhaps one of the most hypocritical elements of the MP pension plan is it allows former parliamentarians who are wealthy to continue to collect an MP pension. Seniors citizens can only dream of such a system for them. These folks have to abide by the rules set by law. Any senior 65 years of age or over who has an income exceeding \$53,215 must pay 15 per cent of the excess net income up to the full amount of old age security collected. In other words, seniors who cross a certain income threshold have their old age security benefits clawed back and most people would say it is fair and reasonable.

Those members who have six or more years experience can begin to collect their MP pension immediately on leaving office regardless of age. Freshmen MPs can begin collecting their MP pensions at age 55. To top it all off, former parliamentarians who are well off are not subject to any pension clawback. For some unknown reason they are put on a pedestal and are somehow deserving of every cent because they served their country.

(1010)

What about the seniors who have their OAS pensions clawed back? Many of them are veterans. Most seniors helped build this country. Surely they can claim they have contributed to their country and are deserving of every cent as well. Again it is a double standard, one the public should not and will not tolerate.

To deal with this unfairness I will be introducing a private member's bill this fall which is the basis for an Amendment No. 39 to Bill C-85. Both require all former parliamentarians whether senators or MPs to have their pensions clawed back exactly the same way many seniors have their OAS benefits clawed back. This clawback would take effect immediately once the parliamentarian begins to collect his pension regardless of age. It would apply when a former member attains employment which pays him in excess of \$53,215, the exact same threshold level which applies to seniors eligible to collect OAS.

I will be the first to admit such a clawback will not save the country billions of dollars. It will save the taxpayers money in the long run. That is something every member in the House should be interested in. It will help to alleviate the widespread cynicism federal politicians encounter. It will help to restore perhaps a little confidence. This is most important. It will send a signal to the long suffering taxpayers that cuts must start with those who legislate.

Why should former Tory Prime Minister Brian Mulroney, who is independently wealthy, pocket \$33,500 of taxpayers' dollars every year? That is his MP pension benefit and not one dime of it is clawed back. To add insult to Canadian taxpayers, Mulroney stands to collect an additional \$50,000 per year in priministerial pension when he turns 65 in the year 2003. This is the man who brought the country to its knees. As the MP pension plan is laid out now none of that can be clawed back and after a member turns 60 it is all indexed.

Then there is millionaire Liberal Pierre Trudeau. With inflation protection he collects well over \$100,000 per year from Canadian taxpayers. Here as well not one thin dime is clawed back.

We cannot forget some of our colleagues presently in the House. They will be the heavy troughers when they leave this place. The Deputy Prime Minister staunchly defends the obscene MP pension plan. It is no wonder, she would stand to collect about \$34,000 per year if she retired today. That is almost \$3 million by the time she reaches age 75. If on her retirement she gains meaningful employment or contracts from the ex-heritage minister certainly she should be susceptible to an MP pension clawback.

Then there is the leader of the Tory party. It appears we cannot get the rich blue blood out of the Tories. He has been extremely quiet about the ludicrous MP pension plan. I suspect it is because he stands to collect about \$45,000 per year on retirement, with a total of \$4.5 million, mostly taxpayers' money, until he reaches age 75. It is no wonder the Tory leader is silent about the MP pension plan.

Surely everyone would agree that on retirement the leader of the Tory party, the independents really, should be subject to an MP pension clawback if he earns over \$53,000 per year in the private sector.

It is unfair to ask seniors in a certain wage category to give a portion of their pensions if former parliamentarians who fall under the same wage category do not have to give back a portion of their incredibly rich pensions.

(1015)

I sincerely hope all members of this House will give careful consideration to amendment No. 39 under Bill C-85, which calls for an MP pension clawback to well off former parliamentarians. There cannot be two sets of government imposed rules, one for seniors collecting pensions and one for MPs collecting pensions. It is undemocratic, unfair, and just not right.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I am happy to have the opportunity to speak today on Bill C-85, commonly known as the MP pension plan.

I first have to express my extreme disappointment with this government for using time allocation on a bill such as this. The obvious question we have to ask is why the government did it.

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Why did it impose limits on debate on a bill such as this? What is the hurry? We have two years, under normal conditions, before an election is called. Why does the government have to ram this through before the end of this Parliament?

I submit that the Liberals want to get to the bank before the end of the day to cash in and make their big deposit to take advantage of what they just awarded themselves.

What did they award themselves? They awarded themselves an obscene pension plan. In the red book the Liberals outlined that they were going to be reforming this MP pension plan to bring it into line with what the average is in Canada. That simply has not happened here.

I also want to examine the role of the official opposition of Canada in this particular bill. Why would a party whose main goal is to leave this country by separating from Canada want an MP pension plan? They must have some idea that maybe this is going to fail and they are going to be here for a lot longer than they originally expected. As a matter of principle, should this party not say that they are going to use this opportunity to opt out? They want to opt out of Canada but they want to stay within the MP pension plan. Talk about double standards.

We have double standards from the Liberals on the MP pension plan, but I would say there is a complicity here with the Bloc. They also co-operated in the vote on time allocation on this bill. I am really disappointed with Her Majesty's official opposition, or loyal opposition I should say, which is what the word actually is.

Mr. Strahl: Using the term loosely.

Mr. Penson: Yes. My colleague just reminded me that I am using that term loosely.

I want to outline my concerns of what I think the public has to say on this issue, especially the public in my riding. The main issue in the last election campaign in my riding was MP pensions. It was not MPs' salaries. There were a number of other issues, but one of the main issues and one that was brought forward at every public meeting I attended was the MP pension plan. People asked: "Why would the MPs award themselves a pension plan four or five times more generous than the average pension plan in Canada? Is this not a double standard?" I had to agree that it was a double standard in my view.

The question came up several times: "Why do they have the power to award themselves their own pension? Should it not be put out to an independent commission and the power be left with the Canadian public?" I had to agree with that as well.

The public understands very clearly that there is a double standard here, a public standard they are not prepared to accept. I do not think this can be sold to the Canadian public. Even this revised plan is twice as generous as any public sector plan. How can that be sold to the Canadian public at a time when we are

facing cutbacks? We are trying to inspire people in Canada to do with less to make our country competitive again to get it back on the rails and here we are in this very House of Commons, where we need to show leadership, going in the opposite direction. It is a very bad tactical move on behalf of this government. It cannot be sold to the Canadian public.

I want to take a moment to examine some of the clauses in Bill C-85. We still have a plan that is put forward here. They have changed the eligibility. MPs do not have to serve two terms or six years. Now it is going to be that MPs will be eligible to start collecting at age 55.

(1020)

Pension plans through Canada pension and old age security start at 65. There is quite a bit of talk they may have to be rolled back to maybe 66 or 67, as they cannot be sustained. Here we have another double standard. At 55 years of age an MP can start collecting a pension. It is going in the opposite direction from where the public is going. As I said before, it is still twice as generous as any other plan out there.

Why is the opt out provision only available to current members? That seems like a little sleight of hand, a little smoke and mirrors. Yes, it is just for us, and I am happy to take it, because I simply could not live with my conscience and I could not sell it in my constituency. I would suggest that there are a lot of members on the other side who are going to find out in two years that they cannot sell it in their constituency either. I am happy to opt out.

Our party surprised the President of the Treasury Board when he made his big announcement and tried to put us in a very difficult position by either taking this overly generous plan or using the opt out provision where we get nothing. At least the members on my side of the House and my party said that if that is what the government is offering, we simply will not take it. We are opting out of this plan. We look after ourselves. We do not want anything, rather than put up with something that is obscene.

If there is going to be an opt out provision, and I think that is a good way to go, why is it not extended from here on in to future members? The door is being closed very quickly. It is a window of opportunity for us, but it is certainly not a window of opportunity for any future members. There again it is out of the old bag of dirty tricks.

What is the real issue here? The real issue is salary. I have heard it from numerous members on the other side of the House or from the Liberal benches. When we started talking about this MP pension plan, they said that is part of their pay, that they are not getting paid very well and that is how they compensate. It is a very poor method. If we want to talk salary in this House, let us be upfront and open with the Canadian public and talk salary. I have enough faith in the Canadian people that they will do what

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is right in terms of salary. I heard that during the last election campaign.

What we have is a group over on the other side that are not prepared to be open and forthright with Canadians, so they bring around through the back door what they are not prepared to do through the front door. They bring in an MP pension plan that supplements their salary. We have seen other provisions where they have special privileges, and those privileges are not going to be accepted by the Canadian public.

If it is really an issue of salary, let us get to that debate at some point and set an independent commission that can travel across the country and ask Canadians to tell us what an MP should be paid. I am prepared to live with the recommendations they make. Some people suggest they would say we should just pay the MP a dollar a year. That is nonsense. I have faith in the common sense of the common people. They have enough sense to elect members to this House and they expect those members to operate on the same premise they have to operate on. If they have to tighten their belts, they expect members of Parliament to tighten their belts.

We are getting a lot of chatter from the other side. I think it is one of the career politicians we have generated in this House. That is the danger we have when we have these kinds of MP pension plans: we get career politicians, exactly the opposite of what the Canadian public wants.

I have found in travelling in my riding and other parts of the country that the way most Canadian people would like to see their MP come forward to the role of MP in this House is to succeed at something else they have tried first. Whether it is a farmer, as I am, a businessman, whatever, they should have some type of successful career first and bring those experiences to this House. Unfortunately, with that carrot dangling, we have had a lot of the other type who have tried to make this a career which is a dangerous thing in itself.

Mr. Strahl: Just because you memorize the Standing Orders, it is not necessarily a job.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I submit it is a dangerous thing to try to be a career politician. That particular type of member will do whatever is necessary to stay here and vote exactly the right way so that at some point down the road they will become a parliamentary secretary perhaps, and maybe even a cabinet minister. I think the government is really misdirected in that approach.

(1025)

I think the Canadian public wants to see a fair pension plan. I know it does not rate up there with the pension plans of university professors, but we did make a choice to come here;

we did make a choice to run. I made a conscious choice that I was going to try to do something about reforming this MP pension plan.

In the face of what we see today in this poor legislation, I have decided to contribute by opting out. I invite the members on the other side to do the same thing, until a reasonable pension plan can come into force in this House with a one for one contribution that is on a level with business and the public sector. Then I think we will have acceptance from the Canadian public, and that is the only time it should happen.

Who will be the judges in the end? I submit it is not going to be the people in the House today. We can debate this for a long time. The ultimate judges are going to be the Canadian people in the next election. This is going to be an issue which is why I say this government is misdirected. I hope it will reconsider, but obviously it will not. It is trying to ram it through with time allocation. We will have to wait for the will of the Canadian people on the MP pension plan. I think we are going to see it expressed very loudly in 1997 or before.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, I appreciate the opportunity to speak in the dying moments of the debate on Bill C-85.

I would consider this MP pension plan a political barometer. In the bill we have before us this government has an opportunity to establish its credibility, its sincerity. The message conveyed by the changes to be made to this pension plan is actually more important than the money involved. The message to the Canadian voters is: "Are you listening? Do you understand the problem? And will you lead by example in doing something about this gold plated pension plan?" Bill C-85 misses those marks by a country mile. It does not even come close.

First we will talk about listening, listening to the Canadian voters, listening to the people who are paying our salaries. It was mentioned earlier that no single issue had a higher profile when I was campaigning. It continues to enjoy a high profile at my town hall meetings and as I speak around the province of Ontario. It is a flash point with the voters in Ontario and certainly right across Canada.

This gold plated pension plan sends a message to the Canadian voters that we in this place do not understand what is going on in the real world. If the government has missed the message regarding Bill C-85, then what did it hear? Was there anything its members heard when they were campaigning and supposedly listening to the Canadian people?

I suggest that Bill C-85 reinforces the fact that the government was tuned out; it was not listening but only paying lip service to the voters and giving them the changes they have been looking for. We have the problems of ever-increasing taxes and

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lower levels of service. That is the situation the Canadian people want to have addressed. We have high levels of unemployed and underemployed people. I know many of us hear about the young people who find jobs they are overqualified for but they are taking whatever they can get because of the desperate situation they are in.

Our people are concerned about unsafe streets and unsafe communities and they are worried about the deficit and the debt and our children's and grandchildren's future. They want a government that will do something to bring that overspending under control. This revision of the gold plated pension plan would indeed be leading by example in showing they understand the problem and they are prepared to deal with it.

The other message is the voters wanted to have a voice in Ottawa. I think with 205 new members in the House we had a great opportunity to respond to some fresh thinking, a new vision.

(1030)

Let us examine the old ways. They have not been working, and that is obvious when we look at the level of debt. It is obvious when we look at the state of our country as far as being united.

I read the report of the Citizen's Forum on Canada's Future, better known as the Spicer commission. The commission went across Canada. It performed open soul surgery on 26 million Canadians to find out what the mood of the Canadian people was. The commission spoke to 400,000 Canadians, plus about another 300,000 elementary and secondary school children. Those are impressive numbers.

Chapter 9 of the Spicer commission report deals with responsible leadership in participatory democracy. That was one of the strongest messages the commission received when travelling across Canada. The message was Canadians have lost faith in the political process and in their political leaders. The report was issued in June 1991 and that mood was there in 1993 when we knocked on the doors seeking election to this place. At door after door the response I received was that I was another politician telling the people what they want to hear at the door, and then I would go to Ottawa and do exactly what I was told.

We had a terrible example of that very thing on Wednesday in this place. Government members were being told not to vote. They were in the House but were not to register, not express opinion. It was unbelievable. That is democracy. That is elected officials doing their job, representing the people who sent them here to Ottawa. Whether they were to vote yea or nay, to be denied that opportunity was unbelievable. I was shocked as I am sure Canadians from coast to coast were shocked at what took place. I see the government is laughing at that comment. That is the arrogance it displays for the voters. It could care less.

Pension reform was a critical message the government missed in getting to the Canadian people that it understands and wants to give the Canadian people a voice in Ottawa. We hear that the pension plan is all part of compensation, part of our pay package. It is the old trick of mixing apples with oranges; salaries and pension, gun control, law-abiding and criminals. We seem to have difficulty with the government in getting focused on what the real problem is.

All Canadians want and all we should expect is a fair salary and a fair pension. This idea of trying to justify a gold plated pension plan because we have a lead salary does not wash. We have to deal with one issue at a time, making sure everything we are paid is above board and visible to all Canadians. If it is fair there will not be any problem with that. The Canadian people will accept it. That is not what is happening in this bill.

The Ontario election was another strong message. MPP pensions were a big part of the common sense revolution platform. The common sense revolution identified that voters were fed up with pension plans far more generous than what is available in the private sector. The Tories responded to that and are eliminating their gold plated pension plan and introducing RRSPs, similar to what is available to Canadians from coast to coast.

It is a flash point with the voters. Ontario responded to it. Prince Edward Island has responded to it. Alberta has responded to it and Manitoba has responded to it. I cannot believe this message still has not been understood in Ottawa.

Unbelievably this week few members in the House on the government side stood up and represented the people who sent them here, their constituents, the people who voted them into office.

(1035)

I was so dismayed when I read the Prime Minister praised those members who hewed the party line and scorned those members who stood up and represented the people who sent them to this place; an unbelievable display for the democratic process to scorn those members who stood up and did what they were voted into office to do. Whether you agree with what they did or not, they had every right to do that. Instead of that they were criticized, threatened, taken off committees. They will not have their papers signed next time: "Buck your voters but do not buck me or you are gone".

We already know what happened. Three members were booted off their committees for doing what they were voted into office to do. We know what the message is. It was loud and clear right from the beginning and all Canadians were appalled at what happened here.

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We should not have been surprised because we are dealing with a government and a Prime Minister who appointed 14 candidates. Do members know why those 14 candidates were appointed? I quote the Prime Minister when he was in my riding: "You cannot always trust the Canadian voter to appoint the best candidate". That says it all. That mistrust is still here and it was displayed this week.

A cabinet minister had a dollars for contracts dinner. It flies in the face of restoring integrity, honesty and open government and nothing is done to that minister. People who represent their ridings are scorned. A minister is accepting dollars for contracts, and that is all right. It is unbelievable the double standard that exists here. Canadians are watching what is happening here and they are appalled. There is a price to be paid and it is coming.

I wonder who the government is listening to. It is obviously not listening to the voters, to the polls. The polls are all showing this gold plated pension plan has to be changed. I do not think I have read anywhere in the media where there is any support for this plan.

Let me quote from these polls because I think they are very indicative. A poll done by Environics showed 86 per cent of Canadians, 86 per cent of Liberals, say the plan is too generous; 93 per cent of Canadians and 93 per cent of Liberals say fundamental MP pension reform must happen before social programs are touched; 88 per cent of Canadians and 85 per cent of Liberals say make the plan equal to the private plans; 93 per cent of Canadians and 91 per cent of Liberals say the MP plan should have the same limit on growth as the private sector plans; 91 per cent of Canadians and 89 per cent of Liberals say collection should start at 65.

Very clearly Liberals who were part of this poll were almost the same as Canadians from coast to coast. The government is not listening. I cannot recall an editorial supporting Bill C-85. The beauty was the *Toronto Star* and we all know where the *Toronto Star* is. It is quoted quite often. An editorial of February 13 with the headline "Pension puffery" stated "Our politicians get some of the best pensions in the world. They only have to work six years to qualify and the generous payments adjusted for inflation can last a lifetime. That is why Prime Minister Jean Chrétien's impassioned defence of underpaid MPs in the House of Commons last week offends—in both substance and timing".

We know where the *Toronto Star* is relative to the government. Even its paper is not supporting it. If it is not listening to the voters, not listening to the polls and not paying attention to the *Toronto Star*, to whom is it listening? Who is driving this agenda? I cannot believe this. There is something missing here.

The Speaker: The hon. member's time has expired. The hon. government whip on a point of order.

(1040)

Mr. Boudria: Mr. Speaker, I believe you would find unanimous consent that the vote to occur on private members' hour in the name of the hon. member for Red Deer on Monday, for second reading of Bill C-309, if a recorded division is requested on that item, be deferred until 11.30 p.m., at which time we will be taking other votes in the House and we would do that vote at the same time.

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I want to participate in this debate because we need to straighten the record on some remarks made.

We said in our red book, "Creating Opportunity", the Liberal plan for Canada, that the pension regime of members of Parliament has been the focus of considerable controversy. We said we wanted to ensure reform took place. We also said we would use an independent review and that a Liberal government would reform the pension plan of members of Parliament to end double dipping, MPs should not be able to leave office and receive a pension from the federal government if they accept a new full time paying job from the federal government, and we would review the question of the minimum age at which MP pensions will begin to be paid.

The commitment of the government and the Liberal caucus to reform pensions has been unwavering. We have brought this to the House. These were promises we made and these are promises we have kept. As promised, the Liberal plan will do what we said it was to do, eliminate the practice of double dipping, introduce a new minimum age requirement for receipt of the pension, 55, reduce the government's contribution to the pension plan by one-third, saving taxpayers \$3.3 million in the first year.

Those reforms are significant. Reforms members across the way should keep in mind. Pension benefits earned by all MPs will be reduced by 20 per cent. All MPs earning pension benefits will be affected by the accrual rate of benefit reduction.

Several statements made in the House are erroneous and the discussion has gone beyond the pension plan to a whole series of issues which do not have specific significance to this debate.

The Prime Minister stated over and over after the review that we knew in comparison to other occupations, MPs are not paid for the job they do, the work they commit to and the assignments they take on. The Prime Minister also pointed to the comparison between what we do as members of Parliament and other people who are public office holders.

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In looking at the topic of integrity the Liberal Party has nothing to worry about and we should not be taking lessons from the Reform Party. It is often hypocrisy to listen to the mouthings on the way procedures are laid out in Bill C-85 and what we are attempting to do in this pension reform. It is also important for the opposition to note the changes we have made and to stand with the government in support of these changes.

(1045)

The bill went further than the red book commitment to reduce government spending on MPs' pensions. It has gone to 33 per cent. I do not hear any talk across the way about that reduction and that saving to the Canadian public. I do not hear discussion across the way about the lowering of the age. I do not hear any discussion across the way about significant measures that are savings to the Canadian public.

I do not hear discussion across the way about the fact that we have done away with double dipping. I do not hear any discussion across the way that speaks to some very positive elements. I do not hear discussion across the way that would take us back to the earlier pension plan of the 1950s, the 1960s, the 1970s or the changes that the government is making in order to meet our present fiscal needs and to ensure that our pensions are in line with other public pensions and other private plans.

It is one thing to stand in the House and constantly berate the government and make grand statements of political and ideological positions. It is important for members to know what they are doing, what the government is attempting to do for the taxpayer to ensure we save tax dollars.

Mr. Milliken: We are keeping our promise.

Ms. Augustine: We are definitely keeping our promise because we said we would do this.

What are the existing provisions and what are the provisions we are proposing? It is important for the party across to see where we are presently and where we hope to be with the bill. We are calling for their support because we feel that lowering the minimum age, taking out double dipping, ensuring the accrual rate, will make the pension plan a far better one than it is presently.

We also spoke to the option of coverage. The members across the way have that option available to them and at the same time they are asking for a review of the remuneration on a yearly basis. They are talking about a time period in which they can opt out and they are not really taking the opportunity to use the 60-day period.

Members of the House of Commons will now pay 9 per cent of their salaries per year toward their pension plan, rather than the

current rate of 11 per cent. This reduction reflects the reduction in the pension accrual rate.

This is a good bill, a good way in which to proceed, to ensure we meet the needs of the public, to ensure we save taxpayer dollars, to ensure we reform the plan as we said in the red book. We call on all members to support the motions and to ensure the bill gets through the House.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, a point of order. I am sorry to rise again, but apparently there has been a change on the Order Paper. The bill to which I referred when I sought unanimous consent earlier is in fact a different one. The principle is identical.

However, I now ask for unanimous consent:

That any recorded division requested on Bill C-295, if such a recorded division is sought, be held on Monday at 11.30 p.m.; rather than the normal time which would be approximately noon.

(Motion agreed to.)

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I stand to speak to Bill C-85, the great pension debate; with a little trepidation. I confess some varied emotions.

(1050)

I do not think anyone in the House would say this debate necessarily brings out the best in people on both sides of the table. We are talking about something which is visceral and deeply personal. As members know, we are talking about how much money eventually winds up in our pockets. When people's pockets are threatened directly, it tends to bring out very visceral feelings. We have seen evidence of that over recent days.

As colleagues know, as a member of the Reform Party and caucus, I have decided to opt out of the pension plan. Before anybody puts angel wings on me, it is important for people to know that it is not that big a deal for me because if I did not opt out, I could not get elected dog catcher in my constituency. This is a fairly important issue in the ridings.

If I may, I would like to quote from an article in the *Edmonton Journal* written by Barbara Yaffe, June 3 of this year. She puts it very succinctly and very well:

Because beyond the cosy bounds of Parliament Hill there's quite a bit of pension passion. The consensus is that Bill C-85 stinks. If the bill passes, taxpayers, who might not mind a system of matching contributions, will pay \$3.88 for every \$1 an MP contributes. (Formerly taxpayers paid \$5.75.)

She goes on to say that the most cynical feature of the pension plan, and this is the feature of this bill which I personally find most offensive, is its mean spirited nature. I can understand the Liberal government's motivation in making this mean spirited because it wants to break the Reform ranks and have its

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members not opt out of the pension. Then at the next election they would be able to go door to door and say, "Wait a minute. We are not so bad. Look at those sanctimonious Reformers. Some of them stayed in the plan as well."

The fly in the ointment is that all Reformers have opted out or have indicated they will opt out of the pension. It is going to make it very difficult for our Liberal colleagues to be knocking on doors in the next election and explaining why they voted themselves a pension that was disproportionate to those held by anyone else and at the same time were so mean spirited in trying to get us to reverse our position.

That is politics. I can understand that. Most Canadians are fair minded. Most Canadians would be very happy if members of Parliament had matching contributions. It would be so simple to say, just like in the private sector, that members of Parliament will pay this much of the pension and the government, the employer, will pay this much, put it into RRSPs and forget about it.

This pension plan really strikes the note of dissonance between elected politicians and the people. One of the reasons I became involved in politics was to try to restore the bonds of trust between the elected and the electors. I thought that the 35th Parliament with 200 rookies would be a prime mover in this.

The best way to do that is to provide leadership by example. Leadership starts at the top. We cannot have two sets of rules, one set for everybody else and one set for us. It is not just the pension thing. It is in the way we treat our salaries in general.

Canadians do not mind that we be paid reasonably or even that we be paid well. What Canadians do not understand is why we should have tax free allowances, why we should have that bonus. Before I came to the House I ran my own business. I supplied receipts for everything I did. As members of Parliament why do we not provide receipts for everything that we do? Why is it that when government employees take a plane anywhere they get \$25 taxis on both ends of the trip without having to provide receipts?

This pension issue really is a flashpoint for Canadians who, as reported by Statistics Canada, have not had an increase in real income for 10 years. Most Canadians feel like they are on a treadmill. No matter how hard they walk and no matter how fast they run, they do not get anywhere.

The reason they do not get anywhere is because of the incredible burden of taxation required by the federal, provincial and municipal governments which have spent so much more than they have earned over recent years. Over 30 per cent of every dollar that comes in goes to pay the debt on money already spent.

It is like buying groceries on a credit card, consuming them and then having to pay the bill. Canadians in general feel like

they are on a treadmill and those who were elected in a role of leadership do not lead by example. That breaks the bond of trust between the elected and the electors.

This is a sacred fiduciary duty which we have been given by the people who sent us here. I would ask my colleagues opposite to please reconsider.

[*Translation*]

The Deputy Speaker: Hon. members, it being 10.55 a.m., pursuant to order adopted June 8, 1995, it is my duty to interrupt the proceedings and put forthwith all questions necessary to dispose of the report stage of the bill now before the House.

[*English*]

The question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76, a recorded division on Motion No. 1 stands deferred.

[*Translation*]

The next question is on Motion No. 2. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

[*English*]

The Deputy Speaker: Pursuant to Standing Order 76, a recorded division on Motion No. 2 stands deferred. The recorded division will also apply to Motion No. 3.

Government Orders

The next question is on Motion No. 4. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76(8), a recorded division on Motion No. 4 stands deferred.

The next question is on Motion No. 5. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76(8), a recorded division on Motion No. 5 stands deferred.

The next question is on Motion No. 6. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76, a recorded division on Motion No. 6 stands deferred.

The next question is on Motion No. 7.

[*Translation*]

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76, the division on Motion No. 7 stands deferred.

(1100)

[*English*]

I understand there is a motion on behalf of the hon. member for Hochelaga—Maisonneuve. I understand the member wishes to ask unanimous consent to move his motion. Is there unanimous consent?

Some hon. members: Agreed.

Some hon. members: No.

The Deputy Speaker: There is not unanimous consent. I will not therefore proceed with the matter.

Mr. Harper (Calgary West): Mr. Speaker, I understood that there was also going to be a motion from the Minister of Justice to move this. He has repeatedly stated to the House that he supports amending the Canadian Human Rights Act and extending same sex benefits. I understood we were also going to have a motion from the Minister of Justice to seek unanimous consent to move these motions.

The Deputy Speaker: There is clearly not unanimous consent to the question proposed by the hon. member for Hochelaga—Maisonneuve. Accordingly, I will go to Motion No. 10 which is also in Group No. 2.

Mr. Stephen Harper (Calgary West, Ref.) moved:

Motion No. 10

That Bill C-85, in Clause 4, be amended by replacing lines 36 to 41, on page 4, with the following:

“an allowance equal to one half of the basic retirement allowance, but if more than one person is entitled to an allowance under this paragraph, the total amount of the allowances shall not exceed one half of the basic retirement allowance”.

Government Orders

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76(8), the division on the motion stands deferred. The deferral also applies to Motion No. 38.

Mr. Milliken: Mr. Speaker, I think you might find there is unanimous consent in the House that the remaining motions in Groups Nos. 3, 4, and 5 are deemed put, divisions demanded and the votes deferred.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Stephen Harper (Calgary West, Ref.) moved:

Motion No. 11

That Bill C-85, in Clause 9, be amended by replacing line 32, on page 9, with the following:

“(A) 0 for the years or portions of”.

Motion No. 12

That Bill C-85, in Clause 9, be amended by replacing line 39, on page 9, with the following:

“(B) 0 for the years or portions of”.

Motion No. 13

That Bill C-85, in Clause 9, be amended by replacing line 4, on page 10, with the following:

“(A) 0 for the years or portions of”.

Motion No. 14

That Bill C-85, in Clause 9, be amended by replacing line 11, on page 10, with the following:

“(B) 0 for the years or portions of”.

Motion No. 15

That Bill C-85, in Clause 9, be amended by replacing line 21, on page 10, with the following:

“(A) 0.02 for the years or portions of”.

Motion No. 16

That Bill C-85, in Clause 9, be amended by replacing line 31, on page 10, with the following:

“(B) 0.02 for the years or portions of”.

Motion No. 17

That Bill C-85, in Clause 9, be amended by replacing line 42, on page 10, with the following:

“ty years of age, 0,”.

Motion No. 18

That bill C-85, in Clause 9, be amended by replacing line 45, on page 10, with the following:

“age, 0, and”.

Motion No. 19

That Bill C-85, in Clause 9, be amended by replacing line 48, on page 10, with the following:

“thereafter, 0.02 for the years or portions”.

Motion No. 20

That Bill C-85, in Clause 9, be amended by replacing line 18, on page 11, with the following:

“years of age, 0;”.

Motion No. 21

That Bill C-85, in Clause 9, be amended by replacing line 20, on page 11, with the following:

“son has reached sixty years of age, 0;”.

Motion No. 22

That Bill C-85, in Clause 9, be amended by replacing line 24, on page 11, with the following:

“ter, 0.02 for the years or portions of years”.

Motion No. 23

That Bill C-85, in Clause 10, be amended by replacing line 41, on page 11, with the following:

“(A) 0 for the years or portions of”.

Motion No. 24

That Bill C-85, in Clause 10, be amended by replacing line 3, on page 12, with the following:

“(B) 0 for the years or portions of”.

Motion No. 25

That Bill C-85, in Clause 10, be amended by replacing line 13, on page 12, with the following:

“(A) 0 for the years or portions of”.

Motion No. 26

That Bill C-85, in Clause 10, be amended by replacing line 20, on page 12, with the following:

“(B) 0 for the years or portions of”.

Motion No. 27

That Bill C-85, in Clause 10, be amended by replacing line 30, on page 12, with the following:

“(A) 0 for the years or portions of”.

Motion No. 28

That Bill C-85, in Clause 10, be amended by replacing line 40, on page 12, with the following:

“(B) 0 for the years or portions of”.

Motion No. 29

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That Bill C-85, in Clause 10, be amended by replacing line 6, on page 13, with the following:

“(i) 0 for the years of pensionable ser—”.

Motion No. 30

That Bill C-85, in Clause 10, be amended by replacing line 13, on page 13, with the following:

“(ii) 0 for the years of pensionable”.

Motion No. 31

That Bill C-85, in Clause 10, be amended by replacing line 12, on page 14, with the following:

“ty years of age, 0,”.

Motion No. 32

That Bill C-85, in Clause 10, be amended by replacing line 15, on page 14, with the following:

“age, 0, and”.

Motion No. 33

That Bill C-85, in Clause 10, be amended by replacing line 18, on page 14, with the following:

“thereafter, 0 for the years or portions”.

Motion No. 34

That Bill C-85, in Clause 10, be amended by replacing line 26, on page 14, with the following:

“therein, be 0.”

Motion No. 35

That Bill C-85, in Clause 11, be amended by replacing line 39, on page 14, with following:

“sixty years of age, and”.

Motion No. 39

That Bill C-85, in Clause 20, be amended by adding after line 38, on page 19, the following:

““beneficiary” means the spouse or child of a deceased former member; “outside income deduction” means the same amount or percentage that, pursuant to the Income Tax Act would be deducted in a year from a payment to the former member or beneficiary under the Old Age Security Act, in respect of other personal or household income received, if the former member or beneficiary was entitled to receive such a payment during the year in question.

(2) From the amount payable to a former member or beneficiary in each year under this Act shall be deducted an outside income deduction calculated in accordance with this section.

(3) The Governor in Council may make regulations (a) defining the other personal and household income to be taken into account for the purposes of this section, which is to be equivalent to that taken into account in calculating a deduction under the Old Age Security Act; (b) requiring a former member to report an estimate of other income for every year before the commencement of the year and to report the actual amount of other income after the end of the year; (c) providing for the amount to be deducted under this section to be deducted in instalments from periodic payments to a former member or a beneficiary under this Act.

59.2 (1) In this section,”.

Mr. Louis Plamondon (Richelieu, BQ) moved:

Motion No. 40

That Bill C-85, in Clause 20, be amended by replacing lines 4 and 5, on page 21, with the following:

“coming into force of this section, holds or commences to hold a federal position or is a party to a federal service contract or enters”.

The Deputy Speaker: Normally at this time the House would proceed to the taking of the divisions at report stage of the bill now before the House, however pursuant to Standing Order 45(6), the divisions on the motions stand deferred until Monday, June 19, 1995 at 11.30 p.m.

The Speaker: It being a little after 11 a.m., question period will be extended to a little after 12 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

[*Translation*]

UNIVERSITY OF OTTAWA

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, today, I would like to congratulate the University of Ottawa for a remarkable fund-raising campaign. Through its Vision campaign, the university raised \$38.6 million, which was much more than the university's objective.

This campaign will allow the University of Ottawa to remain a leader in the area of teaching and research.

In more concrete terms, it has enabled the university to begin construction of the first phase of a new building for the Arts Faculty, D'Iorio Hall, which will be devoted to research in the pure sciences and the neurosciences research institute.

The campaign also raised close to \$9 million that will be used to endow chairs, as well as for centres of excellence and institutes, and over \$1.5 million for scholarships and student financial aid. In addition, this campaign was an excellent opportunity for the University of Ottawa to forge new partnerships with industry and the business world.

Once again, congratulations to all who contributed to the success of this campaign and long life to the University of Ottawa.

* * *

(1105)

G-7 SUMMIT

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, the G-7 summit in Halifax gives us another example of Canadian federalism. Although French is, in fact, totally absent from the summit site, the Leader of the Gov-

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ernment in the House said yesterday that Canada projected “the image of a bilingual country”.

This image came into sharp focus during a press conference by a Japanese official. Faced with the reporters’ stupefaction when he started his presentation in French, he continued in English, explaining that he thought Canada was a bilingual country. The people of Quebec have had enough of this veneer of bilingualism, which does not respect the Canadian reality and does not even keep up appearances any more.

The person who said that the summit was not held in Quebec City because the separatist mayor of that city had not put a Canadian flag over city hall did not even notice that the mayor of Halifax had not done so either.

Again, the Prime Minister is clearly showing his inconsistency and contempt for the French fact in Canada.

* * *

[English]

GASOLINE ADDITIVES

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, the Minister of the Environment has a bill before the House which would ban the octane enhancer MMT from Canadian gasoline. She says that since the United States EPA has banned it, Canada should follow suit.

This week the United States District Court of Appeals issued a mandate ordering the EPA to grant a waiver to permit the use of MMT in unleaded gasoline in the United States. The court found that MMT does not cause or contribute to the failure of any emission control device or system.

The industry minister has added that the key to banning MMT in Canada is to create a uniformity of standards between the U.S. and Canada. Now with the U.S. on the verge of reintroducing MMT, Canada again will be on the opposite side.

The government is too stubborn to initiate third party tests which would show one way or another whether MMT is hazardous to our automobiles, our health and our environment. It works now to make things cleaner. The Minister of the Environment has shown that she is swayed by political lobbies rather than scientific evidence.

* * *

THE ENVIRONMENT

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I would like to extend my congratulations to the Stratford Central Secondary School environmental club.

Environment Canada and the Stratford Central Secondary School club have been working together as partners on an environmental education project. Through the environmental partners fund the federal government has invested \$5,400 in this project.

This partnership has resulted in the development of a Carolinian forest ecosystem, an area of rich biodiversity that represents Stratford’s natural heritage. The forest will serve as an example of community action, a piece of natural heritage, and an educational tool for students.

During the developmental stages of the project various stakeholders and community members worked together to plan and plant the ecosystem. These partners include the Stratford Parks Department, Lawson Killer Insurance Ltd., Canada Trust, Stratford Rotary Club, the city of Stratford, the Stratford civic beautification and environmental awareness committee and most important, the students of Stratford Central Secondary School. All of them were partners with Environment Canada in this outstanding project.

* * *

VOLUNTEERS

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, I would like to give special recognition to the many volunteers in Etobicoke—Lakeshore who donate their time and energy for the benefit of our community.

In particular, I would like to commend the efforts of Tamara Cooper, Jo Matson and R. J. Welsh, recipients of the 1995 volunteer of the year award. These individuals are among over 13 million Canadians who care for children, visit the sick, organize special events, serve on local boards or committees, or bring attention to important issues affecting Canadians.

The value and importance of voluntarism cannot be underestimated. It factors into our gross domestic product contributing 191 hours per volunteer per year of non-paid work, the equivalent of an estimated \$12 billion wage bill or 617,000 full time positions. While the country gains tremendously from the charity of volunteers, voluntarism also enables individuals to acquire and sharpen skills in today’s highly competitive job market.

At this time I would like to welcome to Ottawa individuals from the Lakeshore Immigrant Aid Centre who play an important part in our community’s volunteer sector.

* * *

PARLIAMENTARY INTERNS

Ms. Paddy Torsney (Burlington, Lib.): Mr. Speaker, I rise today to recognize the outstanding interns from the University of Michigan—Dearborn political internship program.

Since the beginning of May eight interns have been expanding their knowledge of Canada by working in the offices of members

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of Parliament. These fantastic university students have had the opportunity to learn more about Canada's unique political structure and distinct cultural identity, while fostering cross-border relationships.

(1110)

By encouraging participation in programs such as these we are cultivating a relationship between the future leaders of both Canada and the United States. As the global economy expands we need to increase mutual understanding between our nations. Programs such as these facilitate that development.

On behalf of the eight members of Parliament who benefited from the services of these outstanding interns, I would like to thank them for their hard work and dedication and wish them the best of luck in their futures.

Thank you Leo Addimando. It has been a pleasure working with you.

* * *

[Translation]

2002 WINTER GAMES

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, this afternoon around 1.20 p.m., a large number of Quebecers will be riveted to their televisions and radios to find out the olympic committee's decision regarding the location of the 2002 winter games.

Bloc members are convinced that the Quebec City region offers the best sites, unsurpassed cultural events, and a population full of warmth and joie de vivre.

We wish to commend and thank all members of the Québec 2002 organization, who worked relentlessly to promote this most challenging collective project for the people of Quebec.

Good luck, Quebec City.

* * *

[English]

FREE VOTES

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker.

There are strange things done when the midnight sun
Has set in the month of June,
By politicians old who set as their goal
To make us sing their tune.
There's little time left, so let's be deft
And invoke tight party rule,
For we know what's best and ignore the rest
And oh, can we be cruel.
If a pesky MP says, "This bill's not for me",
That's a sticky situation,
Like a ton of bricks, we'll stop those tricks,
And revoke the nomination.
But the citizens of this land we love
Have had it up to here,
With the ancient way this game is played,
Oldtime politicians should fear.
For when a member of this House
Votes against the party,
They solemnly stand for a new type of land
That the voters say is hearty.
There soon won't be space

In this marvellous place,
All the members to try
Who have stood with pride
And been muscled aside
But have said to the old ways, goodbye!

* * *

DIAL-A-LIFE HOUSING CORPORATION

Mr. Rey D. Pagtakhan (Winnipeg North, Lib.): Mr. Speaker, it is my pleasure to rise and congratulate Winnipeg's Dial-A-Life Housing Corporation on the official opening today of its second housing project for people of native ancestry.

These individuals are five times more likely to develop serious kidney problems than other Canadians. Due to a lack of health care services on reserves they have to travel to urban health centres for dialysis treatment. The Dial-A-Life project will meet their needs during treatment in Winnipeg.

I salute the Dial-A-Life Housing Corporation under the leadership of Mrs. Winnie Giesbrecht for its hard work, voluntarism and dedication to seeing that its projects are initiated, developed and managed by persons of native ancestry. Their dedication is a source of pride for the Winnipeg North community and beyond.

I am proud to be part of a government committed through the Canada Mortgage and Housing Corporation to building projects such as this one.

Please join me in conveying best wishes to all residents of Dial-A-Life Housing Corporation on this proud occasion.

* * *

NUCLEAR INDUSTRY

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, recently the auditor general stated that Canada's serious nuclear waste disposal problem would require \$9 billion to remedy. On top of this the government is now under pressure to provide \$570 million in the form of a subsidy to the international thermonuclear experimental project, otherwise called ITER, a nuclear fusion megaproject.

I urge the government to turn down this subsidy request in keeping with the promise made in the last budget not to finance megaprojects. So far the nuclear industry has been subsidized by Ottawa to the tune of over \$5 billion. Canadians can no longer afford to subsidize megaprojects.

* * *

[Translation]

QUEBEC INDEPENDENCE

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, the dictionary of synonyms of Quebec separatists is full of words and expressions which have one thing in common: they all refer to the same reality.

There is the sovereignty association, with no hyphen, of the Bloc leader, the European type of union suggested by the ADQ

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leader, and now the independence of Quebec, the new idea proposed by the PQ leader, who did not want to be left out.

(1115)

Indeed, this is the expression used earlier this week by the pequiste Premier to describe the propaganda operation conducted by his Deputy Premier in Europe.

I ask the Bloc and ADQ leaders to tell us whether they are prepared to sign a new agreement with the PQ, in which the expression used this time will be the independence of Quebec.

* * *

QUEBEC SOVEREIGNTY

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, Quebecers are not taken in by federalists' criticism of the extraordinary historical agreement reached this week by the Action démocratique du Québec, the Quebec government and the Bloc Québécois.

The sincere offer made by sovereignists to form an economic and political partnership is a concrete and solid proposal, particularly when compared to the about-face by the Minister of Labour and member for Outremont, who has had such changes of heart in the past.

By calling this offer an unacceptable proposal, the new passionaria of the status quo, as she is rightly called today by Lise Bissonnette, is displaying intellectual dishonesty. Not only does the minister reject the offer contained in the Allaire report, which she supported, she also thinks Quebecers are stupid.

Sadly, federalism has nothing to offer Quebecers but resignation and resistance to change.

* * *

[English]

BERNARD HARMS MEDAL

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I rise today to salute my colleague, the member for Capilano—Howe Sound, who will receive a prestigious prize in international economics on Monday, June 19.

The member, a former economics professor at Simon Fraser University for over 17 years, is one of Canada's best known economists and one of the few Canadians listed in *Who's Who in Economics in the World*. He will be recognized for his outstanding contribution to international economics.

The prize, the Bernard Harms Medal, is given biannually by the Institute for World Economics of the University of Kiel, Germany. The institute, a leading economics research centre, is Germany's official depository for all international economics publications.

To my knowledge, the member for Capilano—Howe Sound is the first Canadian to win this medal and one of the very few Canadian parliamentarians to win such a prestigious award while in office. On behalf of my colleagues I want to congratulate the hon. member for Capilano—Howe Sound for his achievements.

The Speaker: My colleagues, I think it is appropriate to say that we are all very proud in this House of the hon. member for Capilano—Howe Sound and we congratulate him.

Some hon. members: Hear, hear.

* * *

EMPLOYMENT EQUITY AWARD

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, this being National Public Service Week, I would like to congratulate the Department of Canadian Heritage, which recently received an employment equity award for its contribution to the promotion of women in public institutions.

The employment equity awards board was impressed with the significant contribution made in 1994 by the National Advisory Committee on Women's Issues and their positive accomplishments, including the annual women's conference held in June 1994.

[Translation]

Moreover, they recognized that women's noticeable presence in the management category, as well as the support showed to the national advisory committee by senior management, confirm that the Department of Canadian Heritage recognizes the contribution of women in the public service.

Mrs. Marie Trudeau was delegated by the deputy minister to accept the plaque from Mr. Eggleton, on behalf of the department. Congratulations to the Department of Canadian Heritage.

* * *

THE OUTAOUAIS

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, during his visit yesterday to the Outaouais region, the Quebec minister responsible for restructuring tried to downplay the fact that 3,500 jobs in the region could be lost if Quebec becomes independent.

At a time when the PQ government is closing hospitals and reviewing the education budget so as to provide for the establishment of a university in Lévis, how can the minister claim that an independent Quebec will create 3,500 jobs in the parapublic sector just to help the region?

Outaouais residents do not believe these promises made by separatists, nor do Radio-Québec union members, who recently

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had to ask the Bloc Québécois leader to put pressure on the PQ government so that it would fulfil its commitments.

ORAL QUESTION PERIOD

(1120)

*[Translation]***BOSNIA**

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the Canadian government says it is concerned about the situation of the peacekeepers held hostage in Bosnia and about the confrontations between the Serbs and the Muslims. Canada's position remains unclear on the situation in the former Yugoslavia, particularly with regard to participation in the rapid reaction force.

Would the Minister of National Defence bring us up to date on the situation of the 12 Canadians held hostage in Bosnia and the 800 peacekeepers confined to their camp without any possibility of leaving, it appears, as fighting intensifies on the outskirts of Visoko?

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I should point out that 699 soldiers remain on the base at Visoko. They are in good shape. Their safety is not at risk, but Muslim forces do block access to the camp.

In addition, 115 members of our team are at Kiseljak with British and other forces. There is no problem, and movement is not restricted. Unfortunately, we also have 11 soldiers at Ilijas. We are very concerned about their safety, because of the concentration of Muslim forces. This is the reason I strongly registered our objection with the Bosnian Serb authorities in a meeting this week with the chargé d'affaires of the Yugoslav government.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, with the UN Security Council ratifying the establishment of a rapid reaction force of 12,500 this morning, could the Minister of National Defence now tell us once and for all whether Canada intends to participate in this force?

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the Prime Minister raised this matter in Halifax and the final decision is up to him. We need assurances on the command and control of this force and on all the other factors related to deployment. The decision to take part or not should be made today or over the weekend, therefore soon.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, I think we would agree that all Canadians are eager to find out what sort

of commitment the government will end up making in this difficult matter.

By continuing to fight in Bosnia, the Bosnian Serbs and the Muslims have clearly rejected the formal warning of the G-7 last night. What new initiative does Canada plan to propose to its G-7 partners and to the Russian President, who are meeting in Halifax today, in order to resolve the continuing impasse in Bosnia?

[English]

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, last night the Prime Minister said on behalf of the G-7 leaders that the only way out of this very difficult situation is to reopen negotiations for the parties to come to some kind of an agreement.

The international community has protested very strongly the actions that have gone on with the hostage taking and also with the build-up of the forces of the Bosnian federation. This matter is of grave concern and will be the subject of discussion throughout the day.

With respect to what we can do at the moment, given the fact that our people are there not as belligerents but as peacekeepers, we are concerned that they take all precautions at the base in Visoko to minimize any damage should any artillery or any other type of shelling occur. It is to that end that extra fortifications have been erected and precautions have been taken by the commander, Colonel Redburn.

(1125)

I am pretty confident that the people in Visoko, although we do not accept the situation at all, will be fine and are not in any immediate danger. I continue to be preoccupied with the safety of the 11 people detained in Ilijas because of the growing conflict in and around that town and the fact that the Bosnian federation has said they want to liberate Sarajevo and that town is between the concentration of forces and Sarajevo.

I also want to add that we remain concerned about Captain Rechner but we have had information over the last few days that he is okay and is near the Bosnian Serb capital of Pale.

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*[Translation]***LECLERC INSTITUTE**

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, my question is for the Solicitor General. It has come to light that the Leclerc Institute, a federal penitentiary, is controlled by organized crime. It seems that, one of the inmates actually had a jogging track installed in the prison in addition to throwing a seafood party for the prison population.

Given the apparent involvement of the penitentiary's management in the incidents which are currently under investigation,

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will the Solicitor General tell us whether he is investigating the matter and whether he will commit to making the investigation's finding public?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, a special commission of inquiry was established at the end of April to investigate all of these allegations. We expect it to complete its investigation shortly, and I will do everything possible to bring the conclusions of the inquiry to the attention of the hon. member.

These allegations are very serious, and we are treating them as such. That is why the commissioner established a special commission of inquiry several weeks ago, at the end of April of this year.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, this is a very serious issue, yet we still do not know who is leading the inquiry. Will the Solicitor General tell us whether the people under investigation who work at the Leclerc Institute have been suspended from their jobs for the duration of the inquiry?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I do not have this information with me, but I will get in touch with my hon. colleague later to give him the name of the members of this commission of inquiry. At the moment, there are only allegations, but we are taking them very seriously.

* * *

[English]

ETHICS

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, one year ago today the Prime Minister rose in this House and gave a stern speech about earning public trust and restoring political integrity. He said that both were vital to democracy and were more than just nice words.

Twelve months later this Prime Minister's speech rings hollow. We have seen a heritage minister defended, even applauded, for dishing out departmental contracts as a reward for political donations. We have seen \$26 million diverted to a tourist highway in the public works minister's own riding. We have seen the revenue minister's campaign workers lining up for patronage appointments in B.C.

Canadians expected as much from Brian Mulroney. They demanded more from this government.

Why has the government turned its back on the Prime Minister's words of only one year ago, abused the public's trust, and abandoned political integrity?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, in spite of the unfounded innuendo of my hon. friend, the facts of the matter are that this government treats matters of

ethics and integrity very seriously and gives them a high degree of priority.

We have great confidence in the way we are responding to what the Prime Minister said a year ago. Those words remain as valid today as they were a year ago.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, let me refer again to the Prime Minister's speech.

He promised to give a meaningful voice to elected representatives in the House and end the politics of cronyism and secret back door deals. I am sure that is cold comfort to the one dozen Liberal dissidents soon to be punished, cold comfort to the police officers in B.C. who have to deal with incompetent Liberal appointments, and cold comfort to the people of Wentworth Valley who have to travel along the deadly highway 104.

What has happened to this government's promise of giving a meaningful voice to MPs, ending the politics of cronyism, and ending secret backroom deals? They made the promise and broke it. Why?

(1130)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, we have kept that promise, as we have kept generally the promises on which we campaigned.

Just to take the example of the role of MPs, we changed the rules of the House to enable measures to be sent to committees before second reading to enable members to play a bigger role in committees in the development of legislation.

We changed the rules of the House so that committees could develop legislation. That was done for the first time in the history of the Parliament of Canada.

We are also treating Private Members' Business, measures presented by members individually, on a free vote basis in every case, something never before done in the history of Parliament.

Instead of being blinded by her own innuendoes and prejudices, the hon. member should look at the facts and recognize the achievements of the government.

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, they say they have generally kept them, but specifically backbenchers are being nailed one by one the minute they open their mouths.

The Prime Minister said that he sets the moral tone for the government, and he certainly has. He has ignored the federal code of ethics, sidelined the ethics counsellor and has broken red book promises, all in the name of party loyalty and political expediency.

I guess we should not be surprised. In 1983 the current Prime Minister defended Alastair Gillespie, a former energy minister who had received financial favours from the Trudeau government. Twelve years later the Prime Minister dusted off *Hansard*,

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spiced up the rhetoric and gave the same speeches in defence of the heritage minister about ethical behaviour.

Will the government revive its promise to restore integrity in government and demand the resignation of the minister of heritage?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, that promise remains valid. It is being carried out.

There is one interesting thing about the hon. member's questions. They show that she on behalf of her party and her party are totally satisfied with the way we are handling the economy. They show that she and her party are totally satisfied with the way we are handling the reform of social programs. They show that they are totally satisfied with the way we are handling our relations with other countries.

Because of the way she chose the priority of questions in the House on behalf of her party, she is doing nothing more than giving a general endorsement of the work of the government and we appreciate that endorsement.

Some hon. members: Hear, hear.

* * *

[Translation]

IMMIGRATION

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, my question is directed to the Acting Prime Minister.

It seems Immigration Canada has retained the services of Philippe Rayntjens as an expert witness during the proceedings to revoke the status of Léon Mugesera as a Canadian resident. The House will recall that Mr. Mugesera was a friend and adviser of the former president who was responsible for the genocide in Rwanda.

Could the Acting Prime Minister explain why Canada retained the services of Mr. Rayntjens who, like Mr. Mugesera, was an adviser to the president at the time of the genocide in Rwanda?

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the Minister of Citizenship and Immigration and the government have made a commitment to remove all criminal elements from our society. Unfortunately, since the case is now under investigation, we cannot comment further. The case is now under investigation, and we hope to settle this matter very shortly.

Mrs. Maud Debien (Laval East, BQ): Mr. Speaker, how can the government expect the public to trust the process, when it is

clear that the services of a person close to Mr. Mugesera have been retained to clarify his role in the Rwandan genocide?

I would also like to have assurances that the investigation will be public, and that its findings will be made available as soon as possible.

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I can inform the hon. member that the investigation will start next week, when the person concerned will have a chance to answer all these questions. An independent judge will rule on this case.

* * *

ETHIC COUNSELLOR

(1135)

[English]

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, in the Prime Minister's speech a year ago he announced that the ethics counsellor would be empowered to investigate conflicts of interest.

The heritage minister has broken these conflict of interest guidelines no less than four times: first when he intervened for a constituent on a CRTC licence; second when he overturned the DTH policy for friends in Power Corp; third when he lunched with the Bronfmans in L.A.; and again when he held a dollars for contracts dinner in Montreal.

In not one of these instances was the ethics counsellor allowed to conduct a proper investigation—

The Speaker: Maybe it is because it is Friday but it seems to me that the preambles are getting a little long. If members could just shorten the preambles and the questions a little, it would help us in question period.

The question, please, from the member for Simcoe Centre.

Mr. Harper (Simcoe Centre): Mr. Speaker, why will the Prime Minister not live up to his rhetoric of a year ago, live up to his red book promise and appoint an independent ethics counsellor responsible to Parliament?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, first I do not accept the accuracy of the innuendos and allegations in the premise of the hon. member's question.

Second, the Prime Minister has said that in a parliamentary system he has to take the ultimate responsibility for his cabinet and he cannot evade that responsibility. While he has carried out his promise to appoint an ethics counsellor, he still has to carry out the responsibility which is that of a Prime Minister in a parliamentary system.

If my hon. friends agree with our parliamentary system, they would agree with the Prime Minister.

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Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, not only do I agree with it but we have respect for it.

A year ago today the Prime Minister stated in this House:

Canadians have a right to know who is trying to influence their elected and public officials.

Canadians have a right to know who was influencing the heritage minister. Every person who attended the fundraising dinner received a contract or an appointment from his heritage department.

Why will the government not release a complete list of who was invited and who contributed to the heritage minister's dinner? Does the Canadian public not have a right to know?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I point out again as I pointed out yesterday that the dinner was not organized by the Government of Canada. The Government of Canada did not send out the invitations.

The material my hon. friend is seeking is not under the control of the Government of Canada. At the same time information has been provided and certainly I will be happy to see what further information is provided.

My hon. friend in his question says he has respect for the parliamentary system. The hon. member's question showed just the opposite. He lacks that fundamental respect. He ought to start showing some if he is serious about what he says.

* * *

[Translation]

DEPARTMENT OF JUSTICE

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, last April, the Bloc Québécois denounced the flagrant inequity to Quebec in the awarding of professional and special contracts by the Department of Justice. Let me remind you that the value of contracts awarded to Ontario entrepreneurs is 15 times higher than that of contracts awarded to Quebec entrepreneurs. In his written response to Bloc members, the Minister of Justice confirmed our allegations.

Given that only 5 per cent of the value of Department of Justice research contracts is awarded to Quebec entrepreneurs and that only 1 per cent of contracts are in French, does the minister acknowledge that this situation is totally unacceptable and should be rectified as soon as possible?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I have furnished a written response to the hon. member's party answering questions put in the House during the past several months about the statistical breakdown of the awarding of contracts across the country.

The evidence shows that those contracts are distributed to various provinces and the number is disclosed by the letters that I have delivered. The numbers suggested by the hon. member are more or less correct.

As I have also said, there are many factors that determine to whom a contract is awarded. Sometimes these things are for specialized purposes or research to be done by individuals with particular knowledge.

In any event, I have also made it clear in my letter that the awarding of contracts based on language is strictly in accordance with the principles of fairness. I will look again at the whole process to ensure that those principles are being complied with absolutely.

(1140)

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, I admit that there is a difference in the interpretation of figures. We say 5 per cent, while the minister says 6 per cent. As for the 1 per cent of contracts awarded to Quebec entrepreneurs, let us admit that it could hardly be any less.

Given that most Department of Justice contracts are awarded directly without tender by department officials and taking into account, I imagine, the minister's obvious authority over the awarding of contracts, can the minister make a commitment to issue and make public clear directives designed to ensure that a fair share of research work is done in French, as must or rather should the case?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, we already have full written guidelines. We have established policies.

[Translation]

We clearly stated in the letters I gave the hon. member that government departments already had guidelines concerning the awarding of contracts to the private sector. I would be very happy to provide a copy of these guidelines to the hon. member if he so wishes, as they already exist.

We in the justice department comply with these guidelines.

* * *

[English]

HIGHWAYS

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, it was on this Friday a year ago that the Prime Minister said: "I rise today to talk about trust". With all the moral fortitude that he could muster, he announced that things would be different. His government was going to be ethical.

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How does this reconcile with the minister of public works engaging in the most blatant form of pork barrelling by diverting money from highway 104 to his own riding? Why does the Prime Minister not live up to his words of a year ago and reinstate the funding to highway 104 where it belongs?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, on behalf of the Minister of Transport today I think this question demonstrates perhaps as well as any just exactly how ethically challenged the Reform Party is.

The reality is that the issue raised by the hon. member is one in which a decision was made by the responsible level of government in an entirely transparent and open way. To try to suggest that this is an ethical question implies that somebody improperly benefited in a personal or pecuniary way from the awarding of a contract. That is not the case at all.

There was a political issue. It was debated openly in the province of Nova Scotia. The decision was made close to the people affected by it and the political consequences will be faced. That is not an ethical question; that is a political one.

By trying to move political questions into the realm of ethics we can see why the hon. member has a basic misunderstanding of what the process of government is all about. Ethics deal with the propriety, the transparency and the openness of a decision making process. What in fact the member complains about is the decision that was taken at the provincial level close to the people.

Some hon. members: Order.

Mr. Manley: We have listened to preambles almost three minutes long. Therefore it is appropriate to have a long response.

The issue being debated in this question is one which lies at the provincial level. To try to turn it into an ethical question in the House shows the lack of understanding on the part of the member.

Mr. Ken Epp (Elk Island, Ref.): Mr. Speaker, we certainly would not want to have political questions impinging on the question of ethics, would we?

The Prime Minister said that his government would serve all Canadians and not just the privileged few. Tonight, the mayor of Amherst, Cumberland-Colchester councillors, business people and ordinary citizens are pulling together to send a common message: Give the money back.

Let us be very clear. Is the government telling these people that they are wrong and that there is nothing wrong with what the minister of public works has done?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, the problem the member has is that he has to deal with the framework of law.

There is the strategic highway improvement program agreement between the province of Nova Scotia and the Government of Canada. The determination of issues related to the allocation of resources under that agreement is very clearly provided for.

(1145)

Mr. Abbott: So what do you say to the mayor?

Mr. Manley: The mayor needs to address the proper level of government, the province of Nova Scotia, where the decision was made in a way that was very transparent and open. If there is disagreement in the province of Nova Scotia with the people responsible at that level then that is the proper place for the debate to occur.

They are not only ethically challenged, but they seem to have difficulty listening as well. I do not understand why the Reform Party has such difficulty focusing on the division of powers between the federal and provincial governments in this matter.

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[Translation]

BOVINE SOMATOTROPIN

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, my question is for the Minister of Health.

For several months now, milk consumer representatives have been telling the government that the moratorium on the use of somatotropin must be extended. Only the government and Monsanto seem interested in seeing that hormone back on the Canadian market. Two days ago, the health committee unanimously asked that the moratorium be extended for another two years.

Will the minister follow up on the unanimous request made by the three parties represented on the health committee and extend the moratorium for two years?

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, I want to say once again that the somatotropin hormone has not been approved for sale or consumption in Canada. Consequently, we have to wait. There is a process, at the Department of Health, to approve drugs such as somatotropin. That process is under way, and no decision has yet been made.

A favourable decision will only be made if health department experts are convinced that the hormone can be safely used in Canada. It is important to keep that in mind.

Mr. Michel Daviault (Ahuntsic, BQ): Mr. Speaker, the moratorium ends in 17 days and the processes set up by the health minister are as flawed as her will to protect the health of Canadians.

Some hon. members: Hear, hear.

Oral Questions

Mr. Daviault: Will the Minister of Health recognize that she can either make specific recommendations to the government to extend the moratorium, or propose measures to prohibit the use of somatotropin in Canada, since that hormone is not currently prohibited?

[English]

Hon. Diane Marleau (Minister of Health, Lib.): Mr. Speaker, BST is not approved for sale in Canada. That is a fact. It will only be approved if it is safe and efficacious and if it does what it purports to do.

When we speak of moratoriums, the voluntary moratorium was arrived at by the industry and Agriculture Canada in order to allow the committee to study the issue further. On health grounds, the product has not been approved. At this time we do not know if it will be approved. We must allow the work of Health Canada to go on.

* * *

EMPLOYMENT

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, my question concerns the social security overhaul.

Structural unemployment must be addressed by structural change. Can the minister explain how we will ensure that social programs lead to real jobs?

Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development, Lib.): Mr. Speaker, I would like to thank the hon. member for Victoria Haliburton for a very important question as our government deals with the transition from cyclical unemployment to structural unemployment.

One program that is very successful in our department is the self-employment assistance program, which has generated 34,000 jobs. The program helps people on social assistance and unemployment insurance to start up their own business. The multiplier effect of the program is 1.1 full time jobs; in other words, 68,000 jobs have been created. The budget for this program has also been increased by 62.1 per cent.

(1150)

During this time when the Canadian economy is going through changes, it is very important that our government devote itself to programs that help people help themselves and create sustainable employment.

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BOSNIA

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, the policy of the Canadian government toward the mission in Bosnia has been wavering and inconsistent since the beginning.

The Minister of National Defence rashly disbanded the airborne regiment but now needs its capabilities. It wants to be neutral in Bosnia but approved air strikes and may join a rapid reaction force.

In its heart, this government wants out of Bosnia but cannot make the tough decision. Will the minister agree that Canada has done its part in Bosnia and that it is time to leave, rather than sending more troops into an impossible situation?

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the Prime Minister has said on a number of occasions, and all of us on this side agree, that the continued presence in the former Yugoslavia of the United Nations forces is perhaps the only way we can avert a very difficult situation and more lives being lost.

The Canadian government undertook to continue its engagement until next October. We fully intend to discharge that unless circumstances prevent us from doing otherwise.

I realize that at the moment it is very awkward, it is very difficult, and the situation is unacceptable, but we still believe this mandate can get back on track with the willingness of the parties to start talking to each other and start working toward a lasting settlement.

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, while the Prime Minister and the G-7 leaders plead with the Bosnian Serbs and Muslims to play nice, the European peace envoy says: "At the moment there isn't a political process. At the moment we're heading towards war."

Will the Minister of National Defence categorically assure this House that the government will decline to participate in any rapid reaction force and announce its intention to withdraw Canadian troops as soon as possible?

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we have had this question asked a number of times in the last couple of weeks and the answer has been the same. We are considering the question of the rapid reaction force and Canada's participation in it. We certainly believe that force should have been set up. Canada supported it at the NATO meeting a few weeks ago.

The Prime Minister will be reflecting on whether or not it is in not only the best interests of Canada but the best interests of the UN if we participate in that force, as to whether or not even a small contribution would make a difference. Also, we are concerned about further implicating ourselves in that particular crisis with larger numbers of people. We have 2,100 people in the conflict.

All of these things are being reflected upon. As for the peace process at the moment, it may be true that no formal negotiations are going on between the parties, but as was said last night on behalf of the G-7 leaders, and I think everyone in this House would share that sentiment, the parties must get back to the negotiating table. They must bargain, because that is the only way to resolve this very difficult problem.

Oral Questions

[Translation]

AEROSPACE INDUSTRY

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, my question is for the Minister of Industry.

Yesterday, the Minister of Industry stated here in the House that he intended to review DIPP next year. For the first time, the minister appeared open to the opposition's arguments that the ability of Canadian and Quebec companies in the defence and aerospace industry to develop technology must not be eroded.

Will the minister admit that we urgently need to re-establish DIPP budgets, in order to keep our aerospace industry as competitive as it currently is with foreign companies, which are heavily subsidized by their governments for the research and marketing of their products?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, I believe that the hon. member is very aware of my reluctance to subsidize private enterprise. I believe that the best economic strategy is to avoid subsidies. This is not only advisable here in Canada, but also for all of the world's governments.

I accept what he said, and I agree with him that indeed there are other countries which subsidize the aerospace industry. This is one of the issues that we have to take into consideration when reviewing DIPP. He will also understand that the government is obliged to take its fiscal framework into consideration. I am ready to work with him and the aerospace industry and other sectors which are developing new technologies to try to find a new way of making them competitive with other countries of the world.

(1155)

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, my next question contains a solution for the minister, so I would ask him to give me his full attention.

Since the Quebec Minister of Industry is planning to put a program similar to the federal government's DIPP in place, will the minister commit to entering into an agreement with the Government of Quebec to put in place an overall conversion plan for the defence industry?

Hon. John Manley (Minister of Industry, Lib.): Mr. Speaker, firstly, I believe that the hon. member is also well aware that the federal government and the Government of Quebec already have an agreement on industrial projects and that we really work well together. Take Bell Helicopter for example. We found a way

to stimulate the development of technology in high tech companies in the province of Quebec.

I would also note that today, despite the enthusiasm of my Quebec counterpart, Moody's has stated that it is aware of the problems the Government of Quebec is having with its budget. I think that it might be a good idea for Quebec to find a way to regain the international markets' confidence. To do this, they would have to do two things: one, concentrate on their budget problems, and two, finally reverse the loss of confidence caused by the separatist policy proposed by this party and the Government of Quebec.

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[English]

INFLATION

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, I want to advise the Liberal House leader that we are concerned about the Liberal budget. This morning we got the disturbing news that inflation has risen for the fifth consecutive month some 15-fold to 2.9 per cent. That is a concern.

The only sure way to fight rising inflation is to raise the interest rates. However, unless interest rates are lowered, and fast, Canada will likely go into a recession.

My question is for the minister of financial institutions. What is the government's priority at this time, to contain inflation and thereby risk a recession, or to stimulate the economy and thereby risk runaway inflation?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, fortunately there are more than two choices.

I think the hon. member should analyse the inflation numbers a little better. The 2.9 per cent is well within our target range of inflation. If he looks at the recent history of the Bank of Canada he will find that interest rates have fallen recently and that those numbers are well below budget projections.

I would also like to remind the hon. member that if we are going to have continuing inflation in the country it has to be pressured by wages. The wage increases in the country have been very subdued, very low, which indicates that future inflation will not be out of hand but rather will be very low as well.

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, the minister well knows that inflation is now hitting the top of the government's target. It is not within the range, it is hitting the top. It is time for the government to be concerned.

I would like to ask the minister for financial institutions this question. The Government of Ontario has decided to lower its

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revenue projections by some \$2 billion because of the slowdown in economic growth. What is the government doing within the federal Liberal budget at this time to adjust to the slowdown in economic growth?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I am very pleased to answer the hon. member's question.

Our budget projections were based on very prudent economic assumptions. They were also based on the holding of some reserves. Our budget projections are well within reason.

(1200)

With interest rates being substantially lower than our budget projections it seems much more likely we will come in with a better budget deficit rather than a higher one.

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THE ENVIRONMENT

Ms. Bonnie Brown (Oakville—Milton, Lib.): Mr. Speaker, my question is for the Parliamentary Secretary to the Minister of the Environment.

Last week was environment week and we asked Canadians as individuals and in business to focus on the environment and to assist with its clean up. Canadians expect us to lead by example.

What is our minister doing to clean up the operations of our own government?

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, the government is moving in four key areas in response to red book commitments.

It is creating the post of commissioner of the environment and sustainable development through Bill C-83, which is going through the House now, which will enable the commissioner to monitor sustainable development strategies on behalf of all the ministries.

The government has proclaimed the Canadian Environmental Assessment Act, making all department projects subject to assessment. The ministers of finance and the environment created a task force on economic instruments whose recommendations will be looked at with regard to the 1996 budget.

All the various departments of government are now trying to green their operations. Through the building initiatives of Natural Resources Canada we are now retrofitting buildings for energy savings, giving huge savings in addition to benefiting the environment. In the inland centre in Burlington we are to save \$590,000 a year in addition to protecting the environment.

[Translation]

VOISEY BAY

Mr. André Caron (Jonquière, BQ): Mr. Speaker, my question is directed to the Minister of Indian Affairs. The Voisey Bay deposit in Labrador, which promises to be one of the richest in Canada and more important for Newfoundland than the Hibernia Project, is located on lands claimed by the Innu. The federal government and the Government of Newfoundland suspended negotiations on land claims during the very month the deposit was discovered.

Can the minister give the Innu guarantees that the federal government will do everything in its power to settle the land claims before the start of mining operations in Voisey Bay?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, about three weeks ago I met with Premier Wells in St. John's. This was the main topic of discussion. The premier wants to have the negotiations ongoing. What is being done there is important not only for the Government of Newfoundland but for Newfoundlanders as a whole, including aboriginal people.

This is ongoing; it will be done. It is tremendous for both aboriginal and non-aboriginal people of Newfoundland and Labrador that they have found such resources at Voisey Bay.

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INDIAN AFFAIRS

Mr. John Duncan (North Island—Powell River, Ref.): Mr. Speaker, press reports in B.C. are saying the predictable thing: British Columbians should expect a long, hot summer of blockades, quoting Shuswap band leader Ken Dennis.

Mr. Dennis says blockades will continue because they work—surprise, surprise. Now we have professional consultants, advisers and participants for roving native blockades.

Can the minister assure British Columbians he will commit to consistently involving himself in these disputes rather than passing the buck to the province?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, a rare thing has happened in the House which all members now see. Where do we get the blockades? In B.C. where there are so many Reform members.

The hon. member today talked about trust and speaking for all Canadians, not just a privileged few. It is about time Reform takes some of its own advice.

CUBA

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, my question is for the Minister for International Trade.

Senator Jessie Helms and others in the United States continue to attack Canadians for carrying on perfectly legitimate business activities in Cuba. They threaten actions that violate basic principles of international law, undermine trading rules they have argued for and act as if they have the right to dictate conduct to all countries in the western hemisphere.

(1205)

What is the government doing to tell the American government it does not decide where Canadians go, what we do and that our perfectly legitimate business activities are our concern and not its?

Mr. Mac Harb (Parliamentary Secretary to Minister for International Trade, Lib.): Mr. Speaker, I agree with the statement of my colleague.

The government is already on record as communicating with the American administration our opposition to the Helms bill. We will continue through the proper channels both through the World Trade Organization and through NAFTA to deal with this issue. It is our hope that whatever resolution will come out of it will be in the best interests of Canadian businesses.

The American administration is already on record as having some concerns with reference to the Helms legislation. That is very encouraging. It is our hope this bill will go down the tubes.

* * *

PRESENCE IN THE GALLERY

The Speaker: I wish to draw to the attention of members the presence in the gallery of Mr. Anthony Nelson, Economic Secretary to Her Majesty's Treasury from the United Kingdom.

Some hon. members: Hear, hear.

* * *

POINTS OF ORDER

COMMENTS DURING QUESTION PERIOD

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, implicit in the response of the minister of Indian affairs to the question of the hon. member for North Island—Powell River was the suggestion Reform Party members in B.C. were responsible for the ongoing blockades in that province. I ask him to withdraw that comment.

Routine Proceedings

The Speaker: With regard to what was said in question period, hon. members have been given a great deal of latitude both in the formulation of questions and in answers.

I hope all hon. members would consider when asking questions and giving answers to use rather more judicious language. In so doing, the hon. member's point is for debate. No hon. member was mentioned and it is not a point of order.

This concludes question period.

ROUTINE PROCEEDINGS*[Translation]***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 17 petitions.

* * *

*[English]***AGRICULTURE**

Mr. Lyle Vanclief (Parliamentary Secretary to Minister of Agriculture and Agri-food, Lib.): Mr. Speaker, I wish to table pursuant to Standing Order 32(2), copies in both official languages of consultants' reports of the environmental assessment of the net income stabilization account and the crop insurance program.

These assessments were conducted to fulfil our responsibilities under the federal-provincial NISA and crop insurance agreements and as required under section 5(2) of the Farm Income Protection Act.

* * *

COMMITTEES OF THE HOUSE

JUSTICE AND LEGAL AFFAIRS

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Mr. Speaker, I have the honour to present in both official languages the ninth report of the Standing Committee on Justice and Legal Affairs.

Pursuant to the order of reference of Monday, March 27, 1995 your committee has considered Bill C-72, an act to amend the Criminal Code with respect to self-induced intoxication. After a series of meetings and witnesses your committee has agreed to report the bill with amendments.

This is Parliament and the government's response to the Daviault judgment of the Supreme Court of Canada.

Routine Proceedings

[Translation]

PUBLIC ACCOUNTS

Mr. Richard Bélisle (La Prairie, BQ): Mr. Speaker, I have the honour to present in the House the fourteenth report of the Standing Committee on Public Accounts. This report deals with the management of federal buildings. Their value has been estimated at between \$40 billion and \$60 billion, in 1985 dollars.

(1210)

In its report the committee has included a series of recommendations for the Treasury Board Secretariat. The Auditor General concluded in his 1994 report that not enough attention was being given to managing federal property in accordance with Treasury Board guidelines.

Consequently, the public accounts committee has recommended in its conclusion that the Treasury Board Secretariat apply the policy directives set forth in its property management manual and ensure that they are complied with and their objectives are met.

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

* * *

[English]

SMALL BUSINESS LOANS ACT

Hon. John Manley (Minister of Industry, Lib.) moved for leave to introduce Bill C-99, an act to amend the Small Businesses Loans Act.

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

* * *

CANADA PENSION PLAN

Mr. Charlie Penson (Peace River, Ref.) moved for leave to introduce Bill C-334, an act to amend the Canada pension plan (cancellation of benefits).

He said: Mr. Speaker, the purpose of the bill I am introducing today and which I wish to table is to fill what I consider a gap in the Canada pension plan.

The bill will allow people who became disabled after they started drawing a retirement pension to cancel that benefit at any time before the age 65 so they can apply for a disability pension.

As the Canada pension plan reads now, a person receiving a retirement pension, which can be received as early as age 60, can cancel the plan only within six months of plan start up. My bill seeks to amend that.

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

PETITIONS

HUMAN RIGHTS

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, it is my pleasure to present a petition requesting discrimination against same sex relationships be removed by amendments to the human rights act.

I endorse this petition. I have four petitions to that effect which I would like to table in the House.

Mr. Robert Bertrand (Pontiac—Gatineau—Labelle, Lib.): Mr. Speaker, pursuant to Standing Order 36, I present a petition on behalf of the constituents of Shawville, Quebec, dealing with a social issue, requesting that Parliament oppose any amendments to the Canadian Human Rights Act or the Canadian Charter of Rights and Freedoms which provide for the inclusion of the phrase sexual orientation.

BILL C-41

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I have the honour today to present eight separate petitions, still protesting against Bill C-41. These are in addition to the 19 I have already submitted to the House on the same issue.

Today there are another 553 of my constituents concerned about Bill C-41 and the undefined phrase sexual orientation which they feel will set a precedent in federal legislation. They are quite concerned about that.

They are also concerned that Bill C-41 will establish a dual standard of justice by punishing identical crimes with different sentences.

I am happy to concur with the petition.

NEWFOUNDLAND DOCKYARD

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, on behalf of the workers at the Newfoundland dockyard, I am pleased to present a petition signed by over 30,000 Newfoundlanders.

The undersigned residents of Newfoundland draw to the attention of the House that the dockyard has provided significant employment in St. John's and surrounding area for the past 112 years. It has employed 850 people with an income and payroll of over \$26 million.

Therefore the petitioners call on Parliament to cease all efforts to sell or close the Newfoundland dockyard and provide the necessary capital to retool the dockyard with new equipment so the jobs of these many Newfoundlanders that are desperately needed will be ensured.

(1215)

HUMAN RIGHTS

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition on behalf of the Religious Faith Community supporters and members, who call upon Parliament to put an end to

discriminatory treatment in Canada of gay and lesbian citizens in their familial relationships by amending federal legislation that currently allows unequal treatment.

CANADIAN ARMED FORCES

Mr. Leonard Hopkins (Renfrew—Nipissing—Pembroke, Lib.): Mr. Speaker, I have a petition signed by many Canadians expressing a deep interest in the Canadian Armed Forces.

Our petitioners request that Parliament, at the earliest possible time, initiate a wide ranging public inquiry, replacing many being convened piecemeal, into the Canadian Armed Forces, including the reserves, which will investigate, report, and make recommendations on all matters affecting its operations, tasking, resources, effectiveness, morale, and welfare.

HAMILTON WEATHER OFFICE

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, pursuant to Standing Order 36, I am pleased to rise in the House today to present a petition with over 2,800 signatures from my constituents in Hamilton—Wentworth calling on Parliament not to support the closure of Mount Hope, the Hamilton weather office, since it would adversely affect the safety of both aviation and marine operations as well as the agricultural community, local businesses, and recreational interests.

This is a very fine facility at the Hamilton airport and I fully endorse this petition.

INCOME TAX ACT

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, pursuant to Standing Order 36, I wish to present a petition that has been circulating across Canada.

This particular petition comes from the Bolton, Ontario, area. The petitioners would like to draw to the attention of the House that managing the family home and caring for preschool children is an honourable profession, which has not been recognized for its value to our society. They also state that the Income Tax Act discriminates against families who make the choice to provide care in the home for preschool children, the disabled, the chronically ill and the aged.

The petitioners therefore pray and call upon Parliament to pursue initiatives to eliminate tax discrimination against families who decide to provide care in the home for preschool children, the disabled, the chronically ill and the aged.

* * *

QUESTIONS PASSED AS ORDERS FOR RETURNS

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

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The Deputy Speaker: Shall all questions stand?

Some hon. members: Agreed.

GOVERNMENT ORDERS

[English]

INCOME TAX ACT

The House resumed from June 15 consideration of the motion that Bill C-70, an act to amend the Income Tax Act, the Income Tax Application Rules and related acts, be read the third time and passed.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, today we are in third reading of Bill C-70. As I outlined when I spoke previously, the intention of my speech is to encourage the House to accept the final reading of this in the House of Commons as quickly as possible and to outline in a very factual way what the act intends to do. It is related to the budget of 1994. This is one of two bills that deal with the amendments to the Income Tax Act.

In addition to what I outlined previously in the House, new rules are provided for debt securities that are not required to be marked to market. These rules deal with the measurement of income while the securities are held and the treatment of gains and losses on disposition.

Bill C-70 also amends the rules for the taxation of resident shareholders of foreign affiliates. This action is being taken as a result of the government's ongoing monitoring of developments in this area. The changes expand the categories of income of foreign affiliates that must be reported as income of their Canadian affiliates. Another modification prevents the use of an affiliate's foreign active business losses to reduce Canadian shareholders' income. This change also protects the Canadian tax base. The amendments are generally effective for taxation years commencing after 1994.

There are also a number of measures that were announced after the 1994 budget. These include six new tax measures that I would like to outline briefly.

(1220)

First, this bill addresses the issue of eligible prepaid funeral and cemetery arrangements. Under this legislation individuals making such arrangements will not have to declare interest on their deposits up to a \$15,000 maximum contribution as income, provided the deposit is not withdrawn for other purposes. The provider of eligible funeral and cemetery arrangements is, however, required to include in income the total amount received from an eligible arrangement.

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Turning to the next measure, the bill proposes that real estate trusts with publicly traded units be allowed to qualify as mutual fund trusts. This measure responds to representations from the real estate sector, which is interested in expanding the available methods of financing real estate. We believe the proposed change will facilitate the restructuring and refinancing of this sector.

The third of these post-budget measures is a measure that will help mutual funds to reduce overhead costs and improve services to investors. These amendments will allow mutual fund corporations to convert to mutual fund trusts on a tax free basis and also allow tax free mergers of mutual fund trusts.

This bill also proposes new rules to speed the resolution of objections and appeals, particularly by large corporations. Large corporations will now have to specify the issues under dispute, the amount of relief sought, and the facts and reasons for objecting. The rules also limit the ability of large corporations to raise new issues in a notice of objection where the objection relates to reconsideration of an assessment. However, new issues raised by Revenue Canada on such reconsiderations may still give rise to a notice of objection.

In addition, the legislation will ensure that the new requirements relating to the notices of objection will not apply to assessments that have been appealed to courts before this legislation receives royal assent.

The final measure I want to highlight deals with the tax treatment of dividend compensation payments and other amounts connected with securities lending.

The Income Tax Act currently provides that the lender of securities not be treated as having disposed of the securities under these arrangements. As well, payments to the lender as compensation for dividends are treated as dividends in the lender's hands. While these dividend compensation payments are generally not tax deductible, a special rule established in 1989 allows security dealers to deduct two-thirds of such payments. This legislation extends the use of the two-thirds rule, thus ensuring that our securities industry remains competitive. However, the deduction of these payments will be somewhat limited.

I can assure hon. members that the government will continue monitoring these measures to make certain they can operate effectively.

Other changes clarify the effect of certain dividend rental arrangements and the meaning of securities dealers registered or licensed to trade in securities for the purpose of the Income Tax Act.

In closing, Bill C-70 amends the Income Tax Act effectively and equitably. It seeks to better target tax assistance delivered to certain business sectors while at the same time broadening the tax base and thus protecting government revenues. The legislation contained in this bill also clarifies a number of important issues related to the act.

Given all this, I have no hesitation in encouraging all of my hon. colleagues to support this bill.

[Translation]

Mr. André Caron (Jonquière, BQ): Mr. Speaker, I am pleased today to speak on Bill C-70. I am pleased because, first, I thought the government was going to talk about tax reform in Canada with this bill, an act to amend the Income Tax Act, the Income Tax Application Rules and related Acts.

Like many Canadians, I think Canada's tax system should be changed significantly, if not completely overhauled. So, I thought, perhaps very naively, that the Liberal government was going to do its homework. Why was I so hopeful? First, in part, because I had read the red book. The red book promised tax equity and that those who had taxes to pay in Canada would pay them.

(1225)

From what I can see, the book has faded. We hardly ever hear mention of it. At the start, last year, I remember seeing this book resplendent in all its redness on the desks of the members opposite. Now, from what I can see, the red is more likely on the faces of the members. Some members are looking embarrassed at the outcome of the Liberal's election promises.

Let us look at what we were supposed to have in Canada. We were to have jobs; we were to have tax equity. There are no jobs; the jobs we lost were not even replaced. As far as tax equity is concerned, we may have it next year, or maybe in two, ten or twenty years, from what I can see.

It is true that there is a very strong lobby on behalf of those who do not want reforms in Canada, those who are benefiting from the existing tax situation. I remember a debate on this a few weeks ago. One Liberal member naively said that change was slow. He himself had proposed a reform, but he knew that change was slow because of the strong lobby of the well heeled, who benefit from the weaknesses of our tax system.

I am delighted to see that a Liberal member who has been in the House much longer than I can confirm what we in the Bloc already knew. However, Canadian taxpayers really want tax reform.

If we look at the papers and talk with our constituents, we realize that people are not happy with the present tax system. Looking at the size of the bill before us, which contains perhaps 200 pages, I naively thought that the measures proposed by the Minister of Finance would be quite substantial, at least as

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substantial as the size of the document itself, but I realized—and will try to demonstrate to you—that what the minister came up with falls far short of real tax reform.

It is not only taxpayers but also experts who are demanding changes. Canada's tax system—which over the years has been modified by legal precedents and amendments, by new regulations, and by various interpretations of the legislation in effect—has led to the emergence in this country of various tax experts and consultants, who help large corporations and wealthy individuals get around the Canadian tax maze to avoid paying their fair share.

The experts themselves tell us—I read a few newspaper articles—that Canada's current tax system is very confusing. A mother cat would lose her kittens in such a maze. There are various interpretations. There are people who manage to get around the system without paying their fair share, simply because the tax structure has become so complex that no one can find their way around it, except for experts who take advantage of this situation by directing work to their firms, which charge substantial fees and often engage in lobbying activities.

The hope I had has been dashed. This hope, which was reflected in the red book, shared by the public and confirmed by the experts, has been thwarted once again.

For the information of the people listening to us, or the colleagues who were perhaps not paying attention and who may not have noticed, the bill before us, Bill C-70, implements measures proposed by the Minister of Finance in his 1994 budget. On this day of June 1995, we are here in this House to discuss tax measures that were proposed by the minister in February 1994. It is obvious that, if we wait for the minister to speed up tax reform, we will wait for a long time.

(1230)

If we take a look at the clauses now, we could say that the minister has made an effort and that at least there will be a few amendments to the Income Tax Act that will bring us closer to a comprehensive reform. All those who listened to the parliamentary secretary to the Minister of Finance speak before me will have realized that this was not the case.

What, essentially, do we find in this document? We find a few rather trivial reforms which are just a drop in the bucket, when what the Minister of Finance should really be doing is delivering on the Liberal government's promise of a fairer tax system for Canada.

So, when we look at these measures, those which, in my opinion, have the greatest impact are the provisions exempting from tax the interest earned on prepaid funeral arrangements. Some Canadians have been more prudent than the governments of recent years. Figuring that one day they will die, they are prepaying their funeral expenses. These amounts generate interest, with the result that the Minister of Finance has devoted a great deal of attention in this close to 200 page bill to this issue.

It is one of the five or six measures in the bill. Funeral expenses are tax exempt.

There are other proposals for exemptions, such as tax-free arrangements for mutual fund corporations. These are also very interesting, but we are still talking about people who will not be paying taxes. This is perhaps as it should be, but it does not augur well for tax credits, and I will come back to this a bit later. The bill deals with exemptions for those who invest in mutual funds, as well as foreign affiliates.

When I saw these words, I said to myself: "At last, the Minister of Finance is going to tackle tax havens". I saw the word "foreign" and I said, "Now we have it, the Minister of Finance is proposing a measure on tax havens". I will come back to this shortly. But no, it was merely a question of what shareholders are required to report. These are trivialities.

The bill also talks about debt forgiveness and objections on appeal. Large corporations who object to their assessments will have to be more specific. Is it really important for the Government of Canada to deal with this issue in the bill now before this House and provide for special measures ensuring that large corporations file their claims promptly concerning the taxes they owe? Certainly, I have no doubt about that.

These large corporations include Seagram, Power Corporation and all those we keep hearing about during question period or bumping into at private dinners hosted by the heritage minister. The fact remains that, in view of the situation and the need to reform our tax system, it is rather pointless to put forward amendments such as these. It figures that the government would present them on a Friday, in the absence of the Minister of Finance, because we would see him turn redder than usual, with embarrassment no doubt, because he is calling on the Parliament of Canada to consider such pointless measures, when the Canadian tax system needs to be revamped.

Tax reform is required in Canada and we will try and take a closer look at that. I would like to start by clarifying a point. I read in *La Presse* today the famous annual announcement issued by the Fraser Institute. It said that we will be starting to work for ourselves next Sunday.

(1235)

As you know, the Fraser Institute is a group of right wing, ultra-conservative economists funded by unknown sources. In fact, I think that we know and perhaps we should say that it is backed by large corporations, which stand to profit from measures like the ones before us today and certainly claim a tax exemption for their contributions to the Fraser Institute.

The Fraser Institute calls itself an institute. It may look like an extreme right or conservative lobby, but it calls itself an institute. They are telling us that every one of us, in this House and throughout Canada, has been working for the government so far this year, but that we will now start earning money for ourselves.

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They are telling us that we are overtaxed, that the government is rifling through our pockets. You see what I mean. They seem to want to have us believe that no one pays for the services available in Canada, be it health, education, national defence, infrastructure, highways or what not, and they benefit no one in Canada. These people come and try to peddle the idea that the money paid in taxes by Canadians is actually money being stolen from them.

Before going any further, I would like to denounce such pronouncements. Taxation is a very serious subject that is tied to the very nature of democracy. We live in a democracy where the government provides services, and these services must be paid for by all taxpayers who, through their members of Parliament, vote on a budget that will allow the Minister of National Revenue to raise, in the form of taxes, the money required to pay for these services.

I think no one in Canada, except the people at the Fraser Institute and their ilk, would criticize this system. We receive services, and the government has to pay for the services it provides. People are prepared to pay taxes. When they go to the hospital or send their children to school or university, they realize there are certain costs involved, and they are willing to pay their share.

They are willing to pay their share, but they want their tax assessment to be fair and equitable. The first question is whether in Canada as a whole, we are being overtaxed. Should we repeat the Fraser Institute's mantra and say it does not make sense, we are overtaxed, the government should withdraw from everything and should pay no taxes at all? In the end, this would mean there would be no more government.

When there is no more government, we no longer have a democracy but a feudal system. The Fraser Institute and people of their ilk want to take us back to the middle ages when someone would conquer a territory and be given the title of duke, count or prince. He would then raise taxes, not to provide services but more often to provide a rich dowry for his daughter who was supposed to marry his neighbour, who had also managed to impose his rule on part of the population. In the end, this is the law of the jungle, and that is not what we have in Canada.

Are we overtaxed? I will not answer that question, but I will make a few comparisons. If we look at the figures and compare them with other OECD countries, in other words, the 25 richest countries in the world, in 1992, our tax rate was about 36 per cent of GDP. That sounds like a lot, but is it really when we compare it with the tax rate in other countries? It is easy to say we are paying too much, but we have to find out whether we are paying too much, compared with what other countries are paying. There are no absolutes in economics. Everything is relative.

(1240)

I do not want to insult anyone here who is an economist by profession, but in economics, we often realize that everything is relative, even the results. We often see economists contradicting their colleagues, and in the end, we realize that some economists are more accurate in their predictions than others. There are certain basic principles that economists ignore at their peril.

In the Scandinavian countries, the tax rate is not 35, 36 or 37 per cent as in Canada, but 45 per cent. That is quite a bit. In Germany and Italy, between 40 and 44 per cent of GDP goes to taxes. Compared with other countries, Canada is about average. This is not the disaster described by extreme right wing parties that think government should get out of everything and stop providing services in the areas of health care and education and let the law of the jungle prevail.

These people use a certain ideology based on certain principles to mislead the public so that people start to challenge the government's right to raise fair taxes.

I say that we are about average among industrialized countries and that taxation is not the main problem. We have to see where the problem is. I think the real problem is that the tax burden is poorly distributed in Canada. Some people do not pay enough taxes and some people pay too much.

This is why I was asking earlier and expecting tax reform. I hope my children will perhaps see tax reform in Canada. When Quebec becomes independent, we will have an eye on the world. We will be reading papers like the *Toronto Star* and the *Globe and Mail*, and I hope to read that Canada has finally started its tax reform.

How is the tax base distributed in Canada? With a brief look at history, we will discover that taxation is a matter of choice. It is a political choice. Someone somewhere decides a tax will be levied in one area and not in another. A choice is made.

I have consulted a number of books on individual and corporate taxes. In passing, I noted that, among the countries in the G-7, Canada has one of the lowest tax rates. The members of the G-7 are meeting in Halifax. It is a beautiful city that I had occasion to visit a few years ago. I reached the same conclusion as the Quebec journalists: it is an English city.

In 1950, personal and corporate taxes in Canada were comparable. The rate was 28 per cent for individuals and 27 per cent for corporations. These were the federal tax revenues. Now, individuals are taxed at the rate of 48 per cent, corporations at 7 per cent.

As you can see, personal income tax has increased, while corporate taxes have decreased, and I am not counting here the effect of the GST and the QST. We can see that we have moved from a situation in the 1950s where there was a certain balance between personal and corporate taxes to today's imbalance.

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Our first reaction is to say: "Tax the corporations". We will talk about this in a few minutes, but, before we look at what is going on with corporations, let us look at the situation of individuals. There are things worth considering.

(1245)

I am not necessarily making any proposals; I am trying to channel our thoughts to avenues which could be of use to the Minister of Finance or the finance committee or the next Liberal Party committee in line to issue a red book or a red and green book, because I have no idea how to define the colour of the Reform members. However, I do feel that, at some point in the future, the colour red and the colour of the Reform Party will be mixed together. What will be the new colour?

Mr. Loubier: Drab.

Mr. Caron: According to one colleague, it will be drab. I have the feeling that the next book will be the Liberal Party's drab book.

There are, I must say, some avenues which are worth exploring. Individuals. They are always telling us that we have to be careful with personal income taxes because, if we tax the rich, they will have less money, less money to invest. We have to be very careful. But I think that we still have to look into these possibilities. A dollar is a dollar. But, we have noticed that a dollar earned through employment is taxed more heavily than a dollar earned through capital gains. In Canada, people with money and who invest it, pay less tax on the money they earn on their investments than people who are salaried and on fixed incomes. Go figure. Is a dollar worth a dollar or are some dollars worth less than others under the current tax system?

Canadians have the impression that the tax scale is progressive, that everyone pays taxes. That if you earn \$50,000, you pay a certain amount and if you earn \$100,000, you pay twice that. This is not how it works. In 1992, based on figures I have seen, 2,000 Canadian taxpayers who had earned over \$100,000 did not pay any income tax. How can these people not have paid tax? It could not be that they hid income from the tax people. I am sure that all citizens in that tax bracket are honest citizens who would promptly pay any amount owed to Revenue Canada. The fact remains that they did not pay any tax. This was made possible by all the tax credits, the many credits they could take advantage of. There were people investing in real estate, and others investing in movies or research. Anyone who had money started investing, with the result that a number of them ended up not paying any tax.

We could say good for them, if they were clever enough not to pay tax and were not doing anything illegal, all the better for them. I guess we could say that. However, there is a downside to that. I had noticed it in my region and I have friends who have looked into this whole thing. They are middle class people, earning between \$40,000 and \$50,000 a year, and they were wondering why the system was benefiting the rich and not them. Lawyers and accountants set up all kinds of limited partnerships from which people could borrow in order to invest, get a tax deduction on part of this investment and then repay their loans. In the end, they managed to divert money from taxation like the rich.

The downside of this is that, in many cases, the investors found that the properties selected by the limited partnership were not worth as much as they had been told. So, they lost money. They lost money in order to save on income tax. In fact, they took money owed the government to pay for services, and the only ones who benefited from all this seem to be those who set up some limited partnerships or made certain arrangements allowing some people to divert money from the taxman.

Finally, here in this House, the opposition questioned the Minister of Finance about people who had invested in research and development for that purpose. In Canada, the motto in tax matters is "save on taxes". These people, who usually came from the middle class, borrowed money to receive tax credits.

(1250)

With these tax credits, it is always the same system. People take money from the government and manage to get tax credits, but the ultimate winner is the initiator of the financial scheme, the company that put forward phoney research projects. The bottom line is that these people end up with nothing.

The Department of Finance straightened some of this out. It realized that some of these companies were not seriously into research, and the credit was denied. You may say, "People knew that the government could go back three years for all these things", but the fact remains that these people got hooked because there is a belief among Canadian people that those with money can save on taxes.

I think that this is a prime example of a tainted system in which people who cannot afford to invest in sectors eligible for tax credits are urged to do so through all kinds of scams and end up being taken for a ride. I think that the Minister of Finance should look at tax shelters and tax credits for an explanation of why so many people in Canada do not pay taxes.

If this is legitimate and normal, the minister should tell us so and, if not, he should take the measures needed to correct the situation. I have some figures here. From 1984 to 1992, taxes paid in Canada by middle income households increased 6.7 per cent, compared to only 3 per cent for households with incomes

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of \$150,000 and over. Again, it is the middle class which is really paying the tax increases, while those with a higher income are taxed less. Some might say: But listen, 6 per cent of \$50,000 is \$3,000, while 3 per cent of \$150,000 is \$4,500; consequently, the rich are paying more. However, this is not the way things work.

With this system, the rich get richer, while middle class people see their taxes go up every year. This is not normal, and I think that the Minister of Finance, or a Liberal caucus committee, should take a close look at these issues.

And now, on to another topic. Recently, during the French presidential campaign, I read something about taxes on personal wealth. Candidates in France and elsewhere, and this may become the case here some day, have to make a statement of their financial position. In France, there is a tax on personal wealth.

It seems that such a tax existed in Canada in 1972, but it is no longer the case. We are apparently the only OECD country which does not tax personal wealth. Consequently, very wealthy families and individuals continue to get richer; yet, the Canadian government is not even considering taxing such wealth.

There are other things too. I will not go back to the issue of family trusts. We talked about it during the election campaign, and we raised it many times here, during question period. The Minister of Finance finally did something about it in this year's budget, not last year's budget, which is currently in effect.

So, this year's budget includes a provision on family trusts in which the minister made some changes to the rules. However, these changes will only come into effect in three or four years, thus giving time to the tax experts to find another way to exempt rich families, not to mention the possibility that a successor to the current finance minister could provide another tax shelter so that these rich people would avoid having to pay taxes.

Consequently, you see rich taxpayers who do not seem to be paying taxes when they should. There are people with large personal fortunes who never pay taxes on that wealth.

(1255)

Some people can set up family trusts for the benefit of their descendants, maybe not for ten generations but just the same, this raises questions.

So something can be done in Canada about personal income tax. I disagree with what the former president of the United States, Mr. Reagan, used to say, that if they stopped taxing the rich, the rich would invest. Mr. Reagan tried it, but the rich did not invest. The rich went on accumulating their wealth, because that is what they do. They do not necessarily invest. And when

they do, they usually invest with borrowed money, with other people's money.

As far as corporations are concerned, I think it is obvious that the corporate tax system in Canada must be changed, because corporations receive extremely preferential treatment. They will tell us—and I heard it said this morning by the Parliamentary Secretary to the Minister of Finance—that you have to be careful, that corporations must remain competitive. So their taxes should not be too high. Their tax burden should not be too heavy.

Mr. Speaker, do you know which G-7 country has the highest tax rate? Japan, apparently. Would anyone in this House claim Japan is not competitive? Competitiveness is not just a matter of taxation, it is something else. And people who use being competitive as an excuse not to pay taxes are definitely misleading the public.

We saw a very obvious example of this recently in Quebec, where the Quebec government wanted, in fact it still wants, to introduce a 1 per cent payroll tax for businesses with a certain number of employees, to oblige them to provide vocational training. Ghislain Dufour, the Quebec equivalent of the Fraser Institute, perhaps not the equivalent because Mr. Dufour does not qualify as an institute, and I do not think he is eligible for a tax credit, Mr. Dufour said: "Quebec corporations will be less competitive. It will be harder to compete. It does not make sense". A corporation with a payroll of let us say \$500,000 would pay 1 per cent, which works out to \$5,000. So the corporation is supposed to go bankrupt because it has to pay an additional \$5,000 for vocational training for its employees?

In Canada, corporate taxes are too low. In 1987, 90,000 corporations did not pay income tax in Canada. Not bad. In 1991, it was 77,000. Incredible. Granted, some corporations may not be doing that well and so they do not pay income tax, but I would say that one-third of corporate profits in Canada are made by corporations that did not pay taxes. So these are not companies with two or three employees that are leading a hand-to-mouth existence, these are companies that made a profit and thanks to certain measures in the Income Tax Act, manage to avoid paying income tax. So this raises a lot of questions.

It raises a lot of questions for people who have no access to tax shelters and who pay income tax on their weekly pay cheques. How disgusting. There is also the whole issue of deferred taxes. Businesses, billion dollar multinationals established in Canada, are able to put off paying taxes from one year to the next through tax deferral. There will always be a point where their profits are lower, therefore, they will be able to pay less tax, etc. These are all things that make us wonder, and that give us the right to question the Minister of Finance regarding the legitimacy of this system.

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The Bloc has also talked about tax havens. The Bloc finance critic has raised this issue with the Minister of Finance many times. He has asked him questions as Minister of Finance and perhaps as a first-hand tax haven expert. It is well known that Canada's Minister of Finance stopped managing his own affairs when he came to office, got in to politics.

(1300)

The Minister of Finance used to be notorious for letting his financial affairs be conducted under a different flag than the maple leaf. Some companies open up in reputable countries, often very old countries, like Cyprus, Malta, Barbados, or even in countries quite far south, close to Australia, like Papua New Guinea, Panama. There are even Canadian companies which have set up shop in these areas. They have offshore subsidiaries in places like Cyprus, Malta, etc.

There are certainly people in these areas who can afford to buy the goods produced by the Canadian factories with subsidiaries there. However, I cannot believe, for instance, that all the 20,000 or 30,000 companies registered in Panama are there for the climate, for the location half way between the Atlantic and Pacific Oceans, and because this is good for business.

We have only to think back to the scandal following the death of Mr. Irving, so well known in New Brunswick, who moved most of his businesses and who specified in his will that his children in Canada would be cut off if they did not set up in tax havens.

When you are the Minister of Finance and you see Canadian companies setting up ghost subsidiaries abroad and you know all about tax havens and you do nothing, I think you are shirking in your duty.

This proves that it is time for a good clean-up, a thorough tidying-up of the Canadian tax system. I think we have to review the agreements we have with 16 countries on tax rates and other tax matters. The official opposition has often called for such a review. The minister's reply is that the matter is under consideration and, given Canada's competitiveness and the current situation, we are in the best of all tax worlds. I do not think this is the case.

The Bloc will obviously vote against this bill, not because the measures are so awful in themselves, they are Canadian measures for the Canadian tax system, that is to say they cloud the situation a little more, and the system will be muddier and muddier.

Finally, I think the Income Tax Act is a little like the country. I do not want to get into a demagogic diatribe on how Canada's situation compares with the Income Tax Act. What is the Income Tax Act. It is a heap of tax measures with more measures piled on every year. No one has gone through it; no has organized it.

People have called for change, and the answer has always been no. So now we have a jungle of an Income Tax Act where the strongest manage to inch their way through and impose their rule and where, often, the people who earn their living and do their best are unfairly taxed. I think the government has to propose a tax reform. Canadian taxpayers deserve it.

[English]

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, certainly the Reform Party will not be supporting Bill C-70 at third reading for a number of reasons.

With regard to the comments of the member for Jonquière and the presentation we heard for the last 40 minutes, I can understand completely why the economy in Quebec is in trouble. I can understand completely why the credit rating of Quebec was downgraded last week.

(1305)

We hear the left wing, socialist diatribe about more spending by government and about punishing those who have achieved in society to the point where they have accumulated some kind of wealth to reinvest, have created jobs and have paid a major portion of the taxes that often goes to support people who want to work on the public purse in universities or at other public jobs. Who creates the revenue to pay for those jobs and to improve quality of life? Who creates it? Who takes the risk? When people take the risk, does the government have a responsibility to punish them more, to raise taxes, or to take it away from them? Are they bad people in society?

The Canadian economy was built on people using their initiative, having freedom, having the right to take risks and to lose their funds and lose respect in a community within the market system.

Those members want more legislation. They want to take money away from someone else. They want to depress the economy. The obvious result is what we see in Quebec. We also see the results in Canada.

We have had 20 years of governments thinking it could improve the economy of Canada by spending more, by increasing the level of expenditure. What has happened? It has increased the level of debt. Every year we are in a deficit position. Today it is out of control. We have inflation that is out of control, an issue that I raised in question period today. I have not received an answer to that question. We have a dilemma with the Bank of Canada. It is going to be very difficult.

The Reform Party has an answer which I will talk about today. It is time somebody said something. It is unfair that members of the Bloc Québécois hide behind their separatist cloak. The people of Canada do not know they have a second characteristic. They think they are most likely free enterprisers. Not only do they bring to the House separation and the breakup of Canada,

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but they bring socialist diatribe into the House that has ruined the country in the last 20 years. We do not need any more of that.

I am very disappointed in the words that were spoken. We have a free society. The House is a place for everybody to present their views. I will always support that. When I do not agree with something I have the right to stand and say so.

Bill C-70 brings in changes to the 1994 budget, which was a disastrous budget for the government. It came here ill prepared and presented it to Canadians. We are living with the ill effects of its poor planning, its partisan politics when in opposition, and its lack of action in the 1994 budget. Unfortunately Canadians will feel the ill effects.

The legislation is a perfect example of why we need to simplify the Income Tax Act and have a flat tax as my hon. colleague from Calgary Centre is calling for. We in the Reform Party support him.

I guarantee that even accountants will find it difficult to understand the contents of Bill C-70. Fortunately my colleague from St. Albert is an accountant. The other day he addressed the specifics in second reading of the bill. I want to spend my time talking about the budget from which the bill flows. It was the first Liberal budget that unfortunately announced the government's plan to add \$100 billion more to the federal debt over a period of three years.

More important, I want to talk about the outcome of the 1994 budget and its implications for us today. The Prime Minister and the government keep insisting things are fine, the economy is growing and there is nothing to worry about. If this is the case why did Moody's downgrade our credit rating this year?

Moody's decided that Canada was a greater risk than when the government took office. After 18 months it has not convinced any investors in the country that it is serious about putting its fiscal house in order. It has presented two budgets in which it had the opportunity to announce a medium and a long term strategy to bring about deficit elimination and debt reduction. The government has failed to do that and has caused all kinds of serious implications for the economy.

(1310)

It has had almost two years to come up with a plan to balance the budget by a specific date, but it has refused to do so after many questions by the Reform Party. The only commitment we have is that the Liberal government will bring the deficit to 3 per cent of GDP. That is an easy one, but it may change. With inflation changing and with interest rates doubling, it could make it very difficult.

What has the government's fiscal plan as announced in its first budget achieved to date? Members of government will say that it has resulted in economic growth and job creation. However the growth has occurred in spite of the government's

plan, not because of it, and for the past six months there has been no growth at all. Employment levels have not moved in months and the economy actually shrank in both March and April.

The government's soft fiscal policy has had three important impacts on the economy. First, it has led to a rapid depreciation of the value of our currency. Second, it has forced the Bank of Canada to keep interest rates dangerously high. Third, it has allowed inflation, which was all but dead when the Liberals arrived in office, to pull itself up off the canvas. Once again it has become a major concern to investors and Canadians.

Let us look at what happened to the currency. When the Liberals came to office the dollar was traded at 76 cents U.S. By January of this year it had fallen to 70 cents. It has only managed to struggle back to the 72 or 73 cent range due to the support provided to it by Bank of Canada Governor Gordon Thiessen. It was not the action of the government. It was the Governor of the Bank of Canada who took action to make it happen.

However this is not the whole story. While declining only modestly versus the American dollar, our currency has done much worse versus other major world currencies. Since the release of the government's first budget our dollar is worth 23 per cent less in terms of the mark and 25 per cent less in terms of the yen.

Why is that bad for Canadians? There are two very key reasons. The first is that imports become more expensive. To show just how big a difference it makes, our fall versus the yen means that a Sony camcorder which cost \$3,900 last year will cost \$4,800 or an extra \$900 in one year. The second is that it leads to inflation. As we saw in the camcorder example the prices of imported goods are jumping rapidly, which places upward pressure on the consumer price index. We learned today that inflation in Canada is now running at 2.9 per cent.

Let us talk about high interest rates. The impact of the budget on interest rates has been no better. When the Liberal government released its first budget in February 1994 short term interest rates were under 4 per cent. It is only in the last six weeks that they have fallen below 8 per cent. In other words interest rates have doubled in the space of one year. That is a record. I would say to the hon. House leader of the Liberal Party who spoke today that should be a concern with regard to the budget.

This is having a significant impact on our economy, particularly those sectors which are highly sensitive to interest rates. For example, first quarter housing starts fell 18 per cent reaching their lowest level since 1982, while housing resales fell by over 40 per cent. Automobile sales are also off significantly, down 10 per cent from last year's pace. Not only are these high rates hurting the private sector, the federal government has been the biggest loser having to pay an additional \$1.8 billion in interest for every 1 per cent of interest increase.

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The consequences were brought home in the government's second budget, which showed that debt servicing costs or interest payments will rise by \$8 billion in the next year to a total of \$50 billion.

(1315)

That \$8 billion as an increase almost completely wipes out the effect of all of the spending cuts that came from the government's program review and carried out by the hon. minister who is here with us. That was a good idea but the government has not controlled the interest rates and we are in trouble.

The finance department's Fiscal Monitor that came out this week notes that the public debt charges for March were up 27 per cent and were \$4 billion higher than the year before. This is a 27 per cent increase, which is very significant.

I would like to talk about inflation. That is the newest problem facing the economy here today. It results directly from the soft fiscal policy announced in the government's first budget. That is where the problem is. It is a resurrection of these inflationary pressures.

In the last year, inflation rose from .2 per cent to the present level of 2.9 per cent and it is clearly threatening to escape the 3 per cent target band set by the Bank of Canada. This means that the Bank of Canada Governor Gordon Thiessen is facing a very difficult decision. If he chooses to support the value of the dollar and contain inflation within its 1 to 3 per cent target band, he will be forced to raise interest rates. As I mentioned earlier, any further increases will hit both the government and the economy very hard.

On the other hand if his concerns for the economy prompt the governor to lower interest rates, then the dollar will continue to fall and the inflation genie will escape from the bottle. This in turn will lead to higher, longer term interest rates as expectations of future inflation are priced into the bond market in a vicious cycle in which there can be no winner.

I would like to remind members of what happened the last time we entered the vicious cycle. It was in the late 1980s and early 1990s when the Liberals were in opposition. All through this period, the Liberals used the former Bank of Canada Governor John Crow as their whipping boy due to his tough stand on inflation.

As we know, they released him after they came into government. They demanded that he lower interest rates to prevent the economy from slipping into a recession seems fairly straightforward in terms of economic policy. What happened is that it eventually did.

Whether they realize it or not, the Liberals criticized the wrong man. It was not the tight money policy of John Crow that caused this recession, it was the chronic deficit spending of the former Conservative government.

The point the Liberals missed in opposition and are missing again now that they are in power is the government has two instruments with which to influence the interest rates, inflation and the dollar.

First, monetary policy as carried out by the Bank of Canada plays a very important role but it is not the only player. The government must also shoulder some of the burden through its choice of fiscal policy. That is the primary instrument which must be used to deal with the problems in the country.

What happened in Canada under the Conservatives is that a fiscally irresponsible government ignored its own responsibilities, effectively forcing the Bank of Canada to carry the ball single handedly.

I am warning the government today to not make the same mistake as the Tories. We cannot afford to let that happen. I hope the Finance Minister and his colleagues will have enough sense to provide the new governor with support in order to keep the lid on inflation and to bring down interest rates.

If the government does not reverse course and adopt a stronger fiscal policy, then we in the Reform Party will not be pointing our finger at the Bank of Canada. We will place the blame squarely at the feet of the government, which has not honoured its fiscal responsibility. My responsibility and my colleague's responsibility is to do just that. For the sake of this country, I hope this does not become the legacy of the government's first budget, the last piece of which is Bill C-70, a bill that we will not support.

There is still time to change the course. The government's second budget began to do this but the job is left to be done. It is incumbent on the government to bring about a budget for 1996-97 which puts in place a plan of deficit elimination and a plan toward reducing the debt of the country. If the government does that possibly we will have a stable economy, an economy in which jobs are created, in which Canadians will be able to risk, to invest and to live with their families in a very proper way.

(1320)

Mr. Keith Martin (Esquimalt—Juan de Fuca, Ref.): Mr. Speaker, it is a pleasure to speak on Bill C-70. The purpose of the bill is to amend the Income Tax Act because of certain budgetary measures which were taken.

Members of the Reform Party vehemently opposed that budget. We opposed the budget because we felt it did not go far enough. It did not address the situations in the country which threaten every Canadian from coast to coast. Canadian jobs are

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threatened, their homes are threatened and their social programs are threatened.

The reason the budget threatened each and every Canadian was due to the economic and fiscal irresponsibility of the government in not addressing the debt and the deficit which increased every year. Furthermore, the budget sought to compromise those in our society who are most vulnerable, those who cannot take care of themselves and those who are most dependent on government largesse.

We in the Reform Party proposed the zero in three plan. We gave the first half of that plan to the government. We said to the government: "Here is a how to plan". It was not something esoteric, it was a how to plan to bring the economic situation under control. We told the government how much to cut and where to cut. Did the government heed that? No.

We gave the second part of the plan to the government and said: "Here is the product of hard work. Here is the product of something which is followed by a great many Canadians. It is a plan which is fiscally responsible and sound. It is a plan which will address the debt and deficit problem". Did the government listen to us? No.

As a result we have the problems of today. Figures came out this week that showed the real income of Canadians has dropped significantly over the last two years. The Canadian dollar has dropped and inflation is rising. As well, the investors of the world have downgraded our bonds. Moody's has downgraded our bonds for the first time ever. If this is not a harbinger of things to come, I do not know what is.

It is unfortunate that the wool has been pulled over Canadians' eyes by a budget which is an illusion. The government told us that it is the first government to cut. That is true. This is the first government to actually make cuts. Let us analyse those cuts.

A third of the cuts which were made truly were cuts and the government deserves credit for that. However, two-thirds of the cuts were made to provincial transfer payments. Whose shoulders did they fall on? The provinces. The provinces also tax the same taxpayers and at the end of the day it is the taxpayers who have to pay.

Whether it is the federal government, the provincial government, or the municipal government people who work hard have a huge amount of their money taken away from them to go to the governments which are in difficult financial situations. Governments have not recognised the situation they are in and continue to spend taxpayers' dollars in an irresponsible fashion.

I plead on behalf of all Canadians that the government take heed and work with us on the problem to develop a sound, fiscally responsible solution which is going to help all Canadians from coast to coast. That is what everybody in the House wants to have. We need a strong, aggressive, forward thinking

economy that is going to help all Canadians while preserving the core of our social programs to ensure that all those in Canada who need it will be taken care of.

(1325)

An hon. member: They owe it to the young people.

Mr. Martin (Esquimalt—Juan de Fuca): Yes, that is right, they owe it to the young people. This government and previous governments have mortgaged the future of Canadians to pay for what we have today. That is the height of irresponsibility. The young people of today and those who are not yet born are the ones who are going to bear the brunt of this most tragic situation.

The current tax situation is an unwieldy, ineffective system that is bogged down in bureaucratic largesse. All of us here pay taxes. All of us see the tax plans. All of us see the forms that have to be filled out. How can we see these every year and not ask: If we are having a problem with it, is not the rest of Canada?

Why does the government not simplify the tax system to ensure that it is fair and equitable across the whole spectrum of individuals earning money? We must ensure that everybody pays their fair share without going through loopholes and favouritism within the system.

To that end, my colleague from Calgary who is our finance critic has just mentioned the flat tax system that we in the Reform Party have been speaking about since we were elected. It was one of the pillars of our economic and fiscal plan.

Essentially the flat tax system would simplify the tax to ensure that all Canadians pay their fair share. That is extremely important. As we speak to businesses and individuals alike they shake their heads and ask: "How can we deal with this tax system, a system that is so unwieldy, so unforgiving and so complicated?" There are many simpler ways of doing it.

The GST is another aspect of the tax system that was supposed to be revisited. The Deputy Prime Minister stated that if the GST was not gone a year after she was elected, she would be gone. Unfortunately she is still here. I think she should live up to her promises.

That is another aspect of the tax system which needs to be revisited. I ask and implore members on the government side to please listen to business leaders in their communities, not leaders of the business community leaders who come to us. Go out and walk among the business community/leaders and ask them what it is that absolutely frustrates and prevents them from maximizing their potential as a business person. They will say, nine times out of ten, it is the GST.

The second thing they will mention nine times out of ten is the unbelievable red tape they have to go through to operate within this country. It eludes me why, in a country as rich and as potentially powerful as ours, we have to hamstring the business community with bureaucratic entanglements.

I implore the government to look at ways of simplifying the taxation system, the bureaucratic red tape and internal trade barriers which hamper Canada.

The trade barriers in our country hamstring and prevent businesses from being the best that they can become. We aggressively pursue, and rightly so, international free trade agreements like the WTO and previous to that the GATT. It is done to help our business communities. That is done on the international scene. However it eludes me why on our domestic scene we turn around and say: "No, you cannot do business here. We are going to put tariffs there. We are going to oblige you to follow these rules and engage in the same type of bureaucratic entanglements and anti-free trade rules that we do not follow in our export and international endeavours". It is hurting our businesses and people wonder why we are not doing better. In part it is because of these internal trade barriers which are hamstringing the ability of businesses to do that.

When it was elected the government said it was going to aggressively pursue the elimination of these interprovincial trade barriers. It has only nibbled around the edges and Bill C-88 will prove it to the Canadian public.

In closing, there are good parts to Bill C-70 and many bad parts. We must simplify the tax system. Let us look at the flat tax system we want to apply. Let us ensure that we simplify expenditures. Let us attack the deficit and bring it down to zero. Listen to the zero in three plan of the Reform Party and move forward to a strong economy for all Canadians.

Mr. Boudria: Mr. Speaker, on a point of order. Would there be unanimous consent for the Chair to put the question now and then proceed to private members' hour?

[Translation]

The Deputy Speaker: Is it agreed?

Some hon. members: Agreed.

The Deputy Speaker: Then we will put the matter to a vote. Is it the pleasure of the House to adopt the motion?

Some hon. members: Yes.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

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And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76(8), the division on the motion stands deferred until Monday, 11.30 p.m., at the time of adjournment.

[English]

It being 1.30 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

ALTERNATIVE FUELS ACT

The House resumed from June 9 consideration of Bill S-7, an act to accelerate the use of alternative fuels for motor vehicles, as reported (with amendment) from the committee; and of Motions Nos. 2, 3, 5 and 6.

Mrs. Marlene Cowling (Dauphin—Swan River, Lib.): Mr. Speaker, it is my pleasure to rise today in support of Bill S-7, an act to accelerate the use of alternative fuels for internal combustion engines. With the passage of this forward looking legislation, the federal government will assume a leadership role in the reduction of greenhouse gas emissions by requiring by the year 2004 the conversion of 75 per cent of its fleet vehicles to cleaner burning fuel.

The federal fleet consists of 39,000 vehicles that release 150,000 tonnes of carbon dioxide and over 4,000 tonnes of other pollutants into the environment each year. These pollutants collect in the atmosphere and contribute to global warming. As a result of Bill S-7 we will reduce CO2 emissions by 20,000 tonnes annually and will take positive steps to address the greenhouse effect. We will lead by example.

It is anticipated that the conversion of government vehicles will encourage automobile companies to market vehicles that burn renewable fuels and will also increase the number of service stations providing alternative fuels. Not that many years ago gas stations offering ethanol were few and far between. Now they are everywhere. This too will happen with other cleaner burning fuels.

We have all contributed to the environmental problems we now face and it is time to be part of the solution. Bill S-7 will allow us as parliamentarians to take positive action to ensure that our children and our children's children enjoy cleaner air and a healthier environment. We owe this to them.

By requiring government vehicles to be converted to cleaner burning fuels, Canada will be making a significant step toward fulfilling our international commitments to reduce greenhouse

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gas emissions to 1990 levels by the year 2000. The Liberal government is committed to ensuring that these obligations are met for the good of Canada and for the good of the world.

(1335)

In addition to greening our country, this legislation will result in long term savings to Canadian taxpayers. During the five years it will take to convert 75 per cent of our government fleet vehicles, we will save \$7 million. Once conversion is complete we will save \$7 million every year. This represents direct savings to government and direct savings to taxpayers.

Bill S-7 is fuel neutral. It promotes the use of ethanol, methanol, propane gas, natural gas, hydrogen or electricity. The choice of fuels to an extent will be regionally determined based on economic factors and availability.

The expansion of the use of ethanol is of particular importance to me given the benefit it is for the environment and as a growing market for prairie grain. Not only is prairie grain feeding the world, it is getting the world where it wants to go and in a more environmentally friendly way than traditional fossil fuel.

Ethanol provides an excellent opportunity for economic growth and diversification. It greatly expands the market for agricultural products thereby increasing farmers' incomes. It also provides opportunities for value added development and jobs in rural Canada.

The people in my Dauphin—Swan River riding are excited about the prospects of ethanol production. Groups from the towns of Russell and Swan River have approached me about possibilities of establishing ethanol plants in their communities. They are excited about contributing to the greening of our environment and the economic spinoffs for their communities. The construction of ethanol plants in rural communities will not only boost our self-sufficiency in ethanol supply but will also diversify our communities, provide needed jobs and greatly contribute to the long term viability of rural Canada.

To help our rural communities build innovative economies, the minister of agriculture and the environment minister announced the biomass ethanol program which will encourage investment in the ethanol industry, thereby expanding domestic demands for corn, wheat and barley produced on the prairies. The biomass ethanol program shows this government's commitment to encourage the production and use of renewable fuels where it is environmentally sound and economically viable.

I am pleased with the support that companies like Centra Gas in Winnipeg and Ford Canada have given to this initiative. Propane and natural gas suppliers have indicated that they are prepared to convert suitable vehicles in the government fleet at their own expense. These are the types of partnerships we need to encourage to work toward environmental sustainability.

I am very pleased to offer my wholehearted support to this forward looking initiative. It is not often that an idea comes about that is good for the environment, good for agriculture and good for the taxpayers. In short, this is a win-win proposal.

I commend Senator Colin Kenny for his foresight and his commitment to the environment. I urge all members of this House to support this important legislation.

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia, Ref.): Mr. Speaker, I am pleased to address my amendments to Bill S-7. There are four in number but all deal with one subject which is mainly to remove crown corporations from the effects of this bill.

It is a well known and well developed tradition in this country that crown corporations at the basic managerial level should be able to operate at arm's length from the political sector. This type of interference is totally unwarranted. The companies are inefficient enough as it is. If the managers are going to have to be constantly looking over their shoulders to see what the politicians want them to do, they are going to be even more inefficient.

There is a basic thrust to this bill which is expressed very well in a briefing note I received from I know not where. It says that legislation is preferable to government guidelines. That is fundamental Liberal policy in just about every sphere of activity. This will be about the fifth time in this House I have drawn attention to what I consider to be the very basic philosophy of the Liberal Party of Canada, that everything that is not prohibited shall be compulsory.

(1340)

My colleagues are going to address the environmental concerns. I will leave that to them, except I would like to state that as somewhat of an engineer and scientist, I find there is a lot of voodoo science involved in some of the lobby documents I have received backing this bill.

This is not a black and white situation. Certainly propane and natural gas do have some environmental advantages over gasoline and diesel, but they also have disadvantages. On balance perhaps they are better. Over all, ethanol is undoubtedly deleterious to the environment if we consider all of the aspects.

I see an hon. member grinning over there. He wants to have an ethanol plant in his riding. If we study the scientific literature, from a basic, scientific point of view the evidence on ethanol does not add up.

I have noticed there has been an incredible amount of corporate lobbying on this bill. As a matter of fact the corporate lobbying on behalf of this bill has been more intense than anything which has taken place on the Hill since the halcyon days of Dome Petroleum. It is incredible. I have a huge stack of papers.

Private Members' Business

If this is such a good idea, if the producers of the conversion systems and the people who want to sell propane and natural gas have such good products and they are so sure of their position here, why should government have to interfere in the marketplace to mandate markets for them? This is not the business of government; this is the business of business.

If they cannot break into this market, albeit a small market, I do not know why they are fighting so hard to get it. It is a small market. Let them prove themselves, flex their muscles, talk to the people who do the purchasing, put on some demonstration projects and win the market fair and square in the marketplace instead of getting the politicians to do their marketing for them and shove it down the throats of the bureaucrats. This is not the way government should be run. This is not the way the civil service should be operated.

I most emphatically oppose the bill. However, if we must have it, as it has very clearly become a government bill now, then let us at least have my amendments which will permit the people who operate our crown corporations to continue the unfettered management of these companies on our behalf.

Hon. Charles Caccia (Davenport, Lib.): Mr. Speaker, having listened to the argument just made by the member for Swift Current—Maple Creek—Assiniboia, I have to deal with the point he makes in relation to crown corporations. He says he does not want to interfere with the operations of crown corporations in implementing this measure.

I have to remind the hon. member for Swift Current—Maple Creek—Assiniboia that crown corporations are created by acts of Parliament. They express the will of the elected representatives and of the elected government.

(1345)

Budgets of the crown corporations are scrutinized every year by committees of Parliament. They undergo therefore very close examination on the part of the political arm. Therefore there is nothing wrong in also asking crown corporations to adopt a measure that is economically and environmentally sound.

I begin to wonder whether the Reform Party is interested in economy and environmentally sound measures. I know for sure the member for Comox—Alberni is a very good environmentalist. I know also his colleague, the member for New Westminster—Burnaby, is a very fine environmentalist and has proven that on a number of occasions.

Now the moment of truth has come for the Reform Party to show its true colours and to demonstrate where it really stands. As has been underlined on several occasions in this debate, the measure proposed in Bill S-7 to switch the use of fuels from fossil to alternative fuels just emerging in the marketplace would save the government \$7 million in consumption and in maintenance terms.

That is not a minor feature considering the interest expressed by the Reform Party on reducing government expenditures. Here is a golden opportunity for the hon. member to demonstrate to his constituents and to the House that he means what he says. I hope he is not using crown corporations as an excuse for not supporting the bill because that would be a very sad matter.

The member for Swift Current—Maple Creek—Assiniboia also made a plea for the marketplace to take care of this matter. We all know new technologies, new usages and new fuels when they appear on the market need some help. That is the intent of the bill before us.

Why is the bill before us? This is an important consideration. It relates to economic savings and we have gone over that a moment ago. We have a responsibility in relation to the trend in climate change. I am glad to learn the member for Swift Current—Maple Creek—Assiniboia is a scientist. He must know the scientific community warned about the serious trends in climate change and climate warming. These are caused mostly because of our dependence on fossil fuels.

It would seem only logical, in the public interest and desirable that the government seek fuels less damaging in terms of climate change.

In the case of the fuels proposed in this bill we have an alternative approach that will cut in half the so-called greenhouse gases, helping the momentum in climate change which has attracted the attention of a number of international bodies and of a number of leading scientists in Canada .

Therefore it seems to me the Reform Party is at crossroads. I am sure it will want to demonstrate to Parliament and to the public that it means what it says, that it is really concerned as it claims at times with economic measures and environmental objectives.

The bill is well known because of interventions made by previous speakers. It demonstrates the time has come for us as a society, as consumers, to move away wherever possible and as rapidly as we can from our dependence on fossil fuels.

(1350)

We are internationally committed to the stabilization of carbon dioxide emissions by the year 2000, taking the year 1990 as a base. At the rate we are at now we will reach the year 2000 with a minus 13 deficit; in other words, we are badly behind schedule.

In addition to that, in "Creating Opportunity" in 1993 we made a pledge to Canadian electors that we would reduce carbon dioxide emissions by the year 2005 by 20 per cent. This measure is helping to move us in that direction and it seems every member of Parliament has a great opportunity to demonstrate we are taking to heart the public interest and that we want to take every opportunity to reduce our dependence on fossil fuels.

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Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, I am pleased to speak on this bill.

I cannot agree with the overall need for the bill in the first place. However, the amendment would certainly enhance it. I will direct my remarks specifically to the bill and whether we need it.

I believe the bill is an excellent example of how we as parliamentarians can get caught up in believing that enacting new or revised legislation is the answer to problems we may encounter. Making the bill law is an example of how we have allowed too much government into our daily lives.

The bill's objective is to accelerate the use of alternate fuels for motor vehicles, and specifically targets the government motor vehicle fleet of approximately 30,000 vehicles. The bill then devotes its text to the mechanics of the process deemed necessary to achieve a 75 per cent success rate by the year 2004.

I shall address my remarks to the main objective, as the semantics of the process are irrelevant at this point if one disagrees with the main objective and the overall concept.

The bill is asking us to make a law based on a verb, to accelerate or not to accelerate. The concept of converting gasoline motor vehicles to alternate fuels is already in place. Activity in the government department toward achieving this end is already underway. Therefore to accelerate this activity is not a legislative concern but a management concern in the government departments and corporations, et cetera, this bill includes.

We do not need more laws in our lives. We need to improve the existing ones in their appropriate jurisdictions to resolve problems; if it is a management problem, put the problem there. In this case senior management should have a plan for converting to alternate fuels and the plan should include the number of vehicles by certain dates, be it 2004 or otherwise.

Our colleague, the Minister of Natural Resources, has also indicated the legislation should empower management or bureaucrats to make changes rather than telling them what to do. That was in the *Hill Times* on April 20. In other words, delegate the authority to carry out the action to management and then expect it to get on with it to achieve the policy as stated by the standards.

The basic principle of delegation when used effectively reduces the number of rules and regulations, laws, et cetera, required and creates the necessary direction at the level of the department or corporation as a policy and procedure versus national law to actually implement the act. By effectively using the principle of delegation we succeed in reducing the amount of law and government in our daily lives.

I am not suggesting this proposal is not an effective action toward reducing the greenhouse effect in our environment. I agree with the comments made by the Minister of the Environment, a member of the Bloc Quebecois and my colleague from Swift Current—Maple Creek—Assiniboia for publicly supporting the concept of converting gasoline motors to alternate fuels.

I agree legislating this type of action, the converting of gasoline motors, et cetera, is in our jurisdiction as legislators, as it provides direction for the people of Canada in this regard. How it is done or the process to achieve this is a managerial concept.

(1355)

A law of this nature tells all Canadians Canada is working toward this conversion. It provides a sense of direction. The marketplace would be aware of this overall objective and we can pass this as legislation. How fast it goes should be a management situation.

It is not our role to legislate the process to be used by individuals or groups and in this case government departments or corporations. Individuals and groups should be managing their own resources, finances and otherwise and developing a plan conducive to their own situation to achieve this goal.

Bill S-7 is in the realm of management, as I stated earlier, not law. Why is it deemed necessary to be concerned about the speed at which this is occurring? Obviously there are barriers present and the nature of today's marketplace may well be one, as resources for alternate fuels are few and far between.

By legislating that 30,000 plus government vehicles be converted within an eight or nine year period will create much more demand on the marketplace and force the issue on it for change in existing trends. We are not only legislating management techniques for government organizations, we are also becoming involved in the marketplace in that we are suggesting it change its management practices within the next eight or nine years to accommodate the demands this bill will put on it.

Another concern is the cost factor involved and the effects of the time limitations we will have on the budgeting process of an organization, not only the actual conversion costs but the operating costs. The rationale now is alternate fuels are cheaper. If we use the supply and demand principle once we get into the process of conversion at some point the cost of that fuel will also go up.

Bill S-7 will have an effect on several principles or concepts considered important in society. The environment is one. Some of those concepts are government interference in the management process, that is, lack of delegation, government interference in the marketplace which relates directly to the principle of too much government in our daily lives and government entering into the field of free enterprise.

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I agree this accelerating process for conversion would definitely contribute toward improving our environment. However, I do not see the need for a national law to achieve this objective. The appropriate position in senior management should send a memo to the appropriate position in purchasing to recommend a conversion program within the budgetary parameters and considerations, et cetera, of the existing vehicles and get on with this conversion through a management process versus a national law.

Mr. Julian Reed (Halton—Peel, Lib.): Mr. Speaker, every now and again, and not often enough, a nation has an opportunity to provide leadership to not only its people but to people in other countries.

Every now and again its elected political people in the democratic process have a golden opportunity to participate in that leadership. Every now and again those elected people who want to participate in that leadership have to drag along other elected people who want to keep the country in the dark ages.

We are on the threshold of beginning the energy transition from a hydrocarbon energy economy to a carbohydrate energy economy. Petroleum resources are finite. Their reserves are declining.

(1400)

As exploration reaches farther out into more difficult areas, the product becomes more and more expensive. At the same time, the consumption of these products is increasing, particularly when we witness the explosion of industrial growth in nations that were considered third world less than a generation ago. I refer specifically to China and India with a combined population of approximately two billion souls.

Therefore, it is essential that we as an industrialized nation begin to look seriously at bringing alternative energy forms on line. Hence the creation of Bill S-7 to the credit of Sen. Colin Kenny who had the vision and has exploited the vision. I am proud to stand here today hoping to bring this bill to fruition so that we can begin the transition of 75 per cent of the national fleet to alternate fuels by the year 2004.

That transition will not be limited to just those fuels that are named in Bill S-7. Since that bill was written, two more fuels have emerged with great potential, not only for the economy of western Canada, but also to enlarge the options available to individuals.

The question was raised why is legislation preferable to guidelines. The guidelines have been in place since 1976 and nothing has happened. The neanderthals remain in place and nothing moves. Obviously it is necessary to legislate.

There is one more reason for legislating. Bringing something new on stream is a chicken and egg situation. If one does not have enough demand for the fuel then the distributors of the fuel cannot afford to set up to supply the fuel. The manufacturers of the vehicles really cannot afford to retool to supply vehicles that will burn alternative fuels. This is the chicken and the egg. Therefore, it is necessary to develop a critical mass of alternative fuel burning vehicles so the distribution system will follow.

Because the country is beginning to move in that direction, two of our major automobile manufacturers, General Motors and the Ford Motor Company, are now in a position to supply vehicles to the market which will burn up to 85 per cent ethanol or any combination from straight gasoline on up at no additional cost. We have an obligation to get the stream started and get things rolling.

My hon. friend in the Reform Party talked about the undesirability of having crown corporations included in the conversion process. One crown corporation, Canada Post, has a major competitor that advertised it used alternate cleaner burning fuels. If I were the manager of the Canada Post Corporation I would be clamouring to convert my fleet of delivery trucks, vans and whatever to alternate fuels and advertise it in order to get the public relations value. Crown corporations need to be included.

I remember a comment being made when we were in committee by someone regarding the conversion of some vehicles of the RCMP and how undesirable that would be because they needed pursuit vehicles. I had to remind that gentleman the Indy 500 which had run two weeks earlier was not run on gasoline but on methanol. The idea that some conversions produce a little less is just not plausible.

I also had the opportunity to tour the Pratt and Whitney plant in my riding last Monday. It has already completed all the work on burning ethanol in jet engines for the Brazilian government. The technology is already in place and all ready to go.

(1405)

I know my friend in the Reform Party does not like the word ethanol. Somehow it does not have a nice ring to it. He comes from western Canada and I would think he would be an enthusiastic supporter of ethanol as one of the options which is available to us.

Mr. Morrison: We cannot afford it.

Mr. Reed: My friend says that we cannot afford it. I always said that if we had a surplus of it we could drink it.

The fact is that all of these fuels, while they may be a little more expensive at the present time, will find a niche market as times goes by. As production increases in efficiency, the cost per unit will decline. When the transition occurs, when the demand for petroleum resources puts the prices through the roof, Canada

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will be in the driver's seat and will be able to lead the world in the supply of alternate fuels. It is a natural that will happen and we have this glorious opportunity to help it along.

We are on the cusp of the future. No longer can Canada be looked at as a country we can put a fence around. We have to think of our resources as being marketable to the world. We have to think of where the demand is going to go as the population accelerates, as it will in the next 25 or 30 years, and we will have to be ready for that. This is one bill which will get us ready for it and put us in a position of leadership.

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, I am pleased to have the opportunity to speak to Bill S-7, an act to accelerate the use of alternative fuels for motor vehicles.

Bill S-7 proposes that by the year 2004, following a scheduled phase in period of over seven years, 75 per cent of the 39,000 federal government fleet of vehicles will be fueled by alternative transportation fuels.

I agree with the environmental intent of the bill and I agree that we need to take action against priority air quality concerns. Our party supports the efforts to reduce pollution, but these must balance economic with environmental considerations. I believe that there are other more economical and effective solutions available than those proposed in Bill S-7.

As my colleague before me has said, there has been an unprecedented effort to ram this private member's bill through the House. I have to ask: Why is that so?

If the government supports the legislation, then why is it not putting it through itself? Why does it take a Liberal senator to initiate the bill? When approached by the sponsor of the bill no minister in the government was prepared to sponsor the legislation. Again, I have to ask why.

There appears to be a controversy between the Minister of the Environment who appears to support the concept of the bill, and the Minister of Natural Resources who does not come out in support at all. The Minister of Natural Resources has expressed concerns about the government not incurring unnecessary and unreasonable short term costs which push up the deficit and that government still needs to understand the economic as well as the environmental implications of fuel conversion.

Obviously the bill does not have the full support of the Liberal caucus. That is why it is coming in through the back door. I have to ask myself: Why is it not receiving the support of the government? There have to be a lot of reasons and they need to be answered before we support the bill.

The Reform Party strongly supports the principle of market forces. I do not support the principle used in the bill of pushing the market as Bill S-7 would have us do. We are talking about a considerable number of vehicles, 30,000 in fact. The precedent

of government interference in market decisions is unwarranted and unwanted and the bill is a direct attempt to manipulate the marketplace by mandating government vehicle conversion to natural gas.

Government purchasing agents are hired to make the right and the best decisions possible for government purchases. Environmental and economic considerations are supposed to be taken into account when decisions such as fleet purchases are made. If the legislation is as good as the Senator claims and if the environmental and economic benefits are so obvious and certain, then why must it be legislated? Are these managers not paid to make the decisions themselves? Why is it necessary to go over the managers' heads and mandate these purchases and conversions? Something is not right here.

(1410)

Alternative fuel vehicles can be purchased openly on the market today. There is no need for the heavy hand of government to attempt to manipulate the market in any particular direction.

Canadian energy policy is best served through the open and fair operation of market forces to manage energy development, production and consumption in an efficient manner which should be subject to standards established to protect against risks to human health and the environment.

Mandating the use of alternative transportation fuels and vehicles is inappropriate as it restricts the consumer from routine economic choices which are fundamental to a successful market economy.

The Reform Party is fundamentally opposed to subsidization within the marketplace and alternative fuels require major subsidies in order to be competitive in the transportation sector.

All alternative fuels are exempt from the 10 cents a litre federal excise tax. Provincial road taxes are also reduced or even not applied to alternative fuels in most provinces. Alternative fuels could not survive in the marketplace today without these government subsidies.

I am also concerned about the bill because I do not believe that mandating fuel choices will achieve its proposed economic and environmental objectives. Mandated or subsidized use of alternative transportation fuels comes at a high cost to Canada's economy and is contrary to the government's stated goal of reduced government expenditure and deficit reduction. Government and taxpayers are penalized twice in the bill, first through subsidies and second, in forgone tax revenues.

If the principles of Bill S-7 were applied to Canadians at large with mandated use of alternative transportation fuels with current subsidies, it would be at a high cost to Canada's economic base because of loss of government revenue. If the bill were applied to 10 per cent of Canadian vehicles it would cost taxpayers over \$730 million in lost revenues.

If the policy does not make sense in the private sector, then why should it be applied to the government? I am sure there are other policy options available to the government that will help it achieve the environmental intent of the bill in a manner that can demonstrate that the government is using best practices to achieve its policy goals.

An examination of the bill shows that there will be significantly higher costs and marginal benefits achieved by mandating alternative fuels. For example, the relative time required to get a payback on a vehicle converted to alternative fuels needs to be looked at much more closely. Bill S-7 defines alternative fuels as fuel that is less damaging to the environment than conventional fuels, including ethanol, methanol, propane, natural gas, hydrogen or electricity.

When we are speaking of alternative fuels we are referring to several different formulations and vastly different environmental effects. Some alternative fuels such as compressed natural gas and propane offer advantages in air quality over conventional fuels. However, the advantages of compressed natural gas are minimized when used as a transportation fuel. Compressed natural gas is less convenient than gasoline because of its limited range and the fact that it has to be stored in heavy, bulky storage tanks. Compressed natural gas vehicles are also more expensive to own and operate than gasoline vehicles.

Liquefied petroleum gas is also a cleaner burning fuel but it does not contribute to reduced emissions in any significant way because it has a limited overall supply and like compressed natural gas it requires bulky storage tanks.

When we think of alternative fuels, many confuse it with environmentally friendly forms but this is not always the case. Some alternative fuels are actually more environmentally damaging than conventional or reformulated fuels.

For example, the production of ethanol which uses corn or other grains is more environmentally damaging in its production than gasoline. Electric vehicle technology may be non-polluting itself, but the environmental effects of the energy source for production of electricity, whether it is nuclear, hydro or fossil fuel, has to also be brought into the equation.

(1415)

Environmental impacts associated with after market vehicle conversions which currently dominate alternative transportation fuel applications have not been favourable in comparison with ordinary gasoline. The environmental attributes of alternative fuels must be assessed on a lifestyle basis of both the vehicle and the fuels.

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Significant emissions can occur in the extraction, processing manufacturing and distribution of alternative fuels. This bill attempts to force the hand of the market to make alternative fuels more competitive in the transportation sector rather than allowing purchasers to drive the market through need and demand.

I am concerned by some of the claims associated with the bill that it will save taxpayers money. These claims are false. On the one hand the bill claims to save upwards of \$43 million in fuel over five years and \$15 million the year after. This sounds pretty good. If it were true I would wonder why the government had not implemented this many years ago.

The bill is being rammed through using the guise that it will be good for the environment when really it is the gas companies that stand to make billions of dollars.

I cannot support the bill because of the attempt to manipulate the market and the fuzzy economics that do not add up to the program that will benefit Canadian taxpayers.

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

Some hon. members: Question.

The Deputy Speaker: The question is on Motion No. 2.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 76, the recorded division on the motion stands deferred. The recorded division will also apply to Motions Nos. 3, 5 and 6.

Normally at this time the House would proceed to the taking of deferred divisions for the report stage of the bill now before the House. However, pursuant to Standing Order 45, the divisions stand deferred until Monday, June 19 at 11.30 p.m.

Shall we call it 2.30 p.m. and call for orders of the day?

Some hon. members: Agreed.

*Government Orders***GOVERNMENT ORDERS**

[Translation]

CODE OF CONDUCT

The House resumed from May 2 consideration of the motion:

That a Special Joint Committee of the Senate and the House of Commons be appointed to develop a Code of Conduct to guide Senators and Members of the House of Commons in reconciling their official responsibilities with their personal interests, including their dealings with lobbyists;

That seven Members of the Senate and fourteen Members of the House of Commons be the Members of the Committee, and the Members of the Standing Committee on Procedure and House Affairs be appointed to act on behalf of the House as Members of the said Committee;

That changes in the membership, on the part of the House of Commons of the Committee be effective immediately after a notification signed by the member acting as the chief Whip of any recognized party has been filed with the clerk of the Committee;

That the Committee be directed to consult broadly and to review the approaches taken with respect to these issues in Canada and in other jurisdictions with comparable systems of government;

That the Committee have the power to sit during sittings and adjournments of the House;

That the Committee have the power to report from time to time to send for persons, papers and records, and to print such papers and evidence as may be ordered by the Committee;

That the Committee have the power to retain the services of expert, professional, technical and clerical staff;

That a quorum of the Committee be 11 Members whenever a vote, resolution or other decision is taken, so long, as both Houses are represented and that the Joint Chairpersons be authorized to hold meetings, to receive evidence and authorize the printing thereof, whenever six Members are present, so long as both Houses are represented;

That the Committee be empowered to appoint, from among its Members, such sub-committees as may be deemed advisable, and to delegate to such sub-committees, all or any of its power except the power to report to the Senate and House of Commons;

That the Committee be empowered to authorize television and radio broadcasting of any or all of its proceedings;

That the Committee make its final report no later than October 31, 1995;

That, notwithstanding usual practices, if the Senate is not sitting when the final report of the Committee is completed, the report may be deposited with the Clerk of the Senate and it shall thereupon be deemed to have been presented to that House; and

That a Message be sent to the Senate requesting that House to unite with this House for the above purpose, and to select, if the Senate deem advisable, Members to act on the proposed Special Joint Committee.

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, it is my pleasure, as official opposition critic for parliamentary reform, to speak on Motion No. 24 regarding the appointment of a special joint committee of the Senate and the House of

Commons to develop a code of conduct for parliamentarians. I will address three points.

I will start with the issue of committee membership, as it seems very important to me. Second, I will give the whole historical background to this effort on the part of governments to try to introduce a code of conduct for parliamentarians, an effort going back over almost 20 years. Finally, I will touch on the present context in terms of ethics, which obviously leads us to believe that all this is nothing but window dressing.

In fact, the motion put forward by the government House leader regarding a Canadian parliamentary code of conduct is nothing new in the history of parliamentary government and even democracy in the western world.

(1420)

The fact that this government wants to appoint a special joint committee of the Senate and the House of Commons to develop a code of conduct is another manifestation of the Liberal tradition of giving the appearance of having a clear conscience publicly, while continuing to scheme behind the scene.

Before getting into what this Liberal code of conduct is really about, I would like to call the attention of the House to a specific point. The fact that eight senators and 14 members of Parliament would be appointed to this committee is sheer nonsense to me.

How can the government have the nerve, the gall to table in this House of elected representatives of the people, a motion to appoint a joint committee, which would include senators, to develop a code of conduct for parliamentarians of this Canadian democratic institution?

The Liberal government's attitude is revolting. To appoint a committee on parliamentary ethics which would include non-elected senators violates the most elementary principle of western democracy. The public knows that the Senate is an archaic and useless institution whose sole purpose is to reward friends of the regime, whether Liberal or Conservative, so that they will do some partisan work for the government or for the interests which they represent.

I will simply say that senators can continue to work and practise their profession or calling. As you know, a senator recently joined a prestigious law firm.

We deplore the fact that the Bloc amendments, which oppose the presence of senators on the committee, are bluntly rejected by the government. Again, senators are not elected representatives. The government's attitude shows once again that its motion is just a joke and that the Liberal Party of Canada is antidemocratic and does not care about the public.

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The Bloc has always been opposed to the existence of the Senate, a position which is supported by a large number of Canadians. Given the extremely hard economic context, a debt exceeding \$550 billion, as well as the current unemployment and poverty problems in Quebec and in Canada, the amount of \$42.6 million allocated to that committee could be used to stimulate the economy and create jobs.

The Fathers of Canadian Confederation defended the appointment of senators on the ground that members of the Upper House had to be independent. Indeed, considering that they do not have to be elected by the public, that they are appointed until the age of 75, which is no small job security given how precarious jobs are these days, and given that unemployment is so high in Quebec and in Canada, one would think that senators deal more or less at arm's length with the government. On the contrary, the members of the upper Chamber have always been more interested in playing party politics than in fulfilling their more proper role as impartial legislators.

It bears repeating that senators are appointed on a strictly partisan basis and that the party in power is itself trying to take over control of the Senate by appointing a greater number of senators. A large number, close to 50 per cent, of the senators recruited by the Prime Minister have political experience, and most of the rest have performed valuable services for the party in power. Everyone knows that it is a snug retirement haven for politicians and others who have always supported the interests of the Liberals and Conservatives in the House of Commons and who were always there to serve Canadian big business.

And the Liberal Party of Canada talks about parliamentary ethics; it is a disgrace to democracy and the Parliament of Canada.

Having said that, I would like to look at another aspect of the question of a parliamentary code of conduct, and that is conflict of interest. There is no obligation to divulge the pecuniary interests of a member of the House of Commons. However, section 21 of the Standing Orders of this democratic institution provides that no member is entitled to vote upon any question in which he or she has a pecuniary interest, and the vote of any member so interested will be disallowed.

(1425)

If I am reminding this House of this basic rule of conduct governing the conduct of Canadian parliamentarians, it is because the events of the past few years, in particular those involving the conduct of this government, have raised serious doubts about the Liberal government's political will to establish a code of conduct which would really bring total transparency to the management of public affairs.

This is a very important issue. The waffling done over the past 30 years by the two parties in power regarding the implementation of a law really governing the conduct of elected representatives would indicate that there is no real political will to change things. For example, in 1973, the federal government published a green paper, "Members of Parliament and Conflict of Interest", in which it proposed to group and extend the scope of the rules which existed at the time. This green paper was studied by a committee of the House of Commons and by a committee of the Senate and both made many recommendations.

Two years later, on June 10, 1975, the House of Commons Standing Committee on Privileges and Elections tabled its report on the green paper. In general, it approved the provisions and recommended a few amendments. Two years later, on June 26, 1978, Bill C-62, the Independence of Parliament Act, was tabled in the House of Commons complete with new regulations for the House of Commons and the Senate. It died on the Order Paper when Parliament was dissolved on October 10, 1978.

However, there was a new beginning. On October 16, 1978, a slightly changed Independence of Parliament Act was reintroduced as Bill C-6. The accompanying Rules of the House and of the Senate were tabled in the House on October 30, 1978. The bill was referred to committee on March 8, 1979, but there was no ensuing action and the bill died on the Order Paper when Parliament was dissolved on March 26, 1979.

At the end of the Liberals' term of office, on July 7, 1983, a federal study group was set up to examine the principles and rules governing conflict of interest and their evolution and to decide whether the issue should be dealt with differently.

The report did not appear until May 1984. These people are unbelievable Mr. Speaker; they are constantly carrying out the same studies over and over! That report was entitled: "Ethical Conduct in the Public Sector", and was known as the Starr-Sharp report.

Another government, other political practices. On November 25, 1985, the Conservative government asked the Standing Committee on Management and Members' Services to consider the appropriateness of setting up a register of members' interests. As part of its work, the committee was to decide whether it was appropriate to disclose the remuneration members received for sitting on the board of directors of a public or private firm or for performing other duties or occupying other positions in various organizations. After consulting the members of all parties, the Liberals, the Tories and the NDP—the committee concluded that there was no need to set up such a register and that existing legislation on members' conflicts of interest was sufficient.

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And the saga continues. In February 1988, Bill C-114, Members of the Senate and the House of Commons Conflict of Interest Act, was given first reading.

In September 1988, the legislative committee on Bill C-114 met three times, but was unable to finish considering the bill before Parliament was dissolved, on October 1, 1988.

In November 1989, the scenario was repeated with the first reading of Bill C-46, Members of the Senate and House of Commons Conflict of Interest Act. This bill was essentially the same as Bill C-114, with a few minor changes. This bill died on the Order Paper when Parliament was prorogued on May 12, 1991.

November 1991 marked the first reading of Bill C-43, Members of the Senate and the House of Commons Conflict of Interest Act. This bill was almost identical to the bills I have already mentioned: Bill C-114 and Bill C-46. And then, the same old story, the bill was immediately referred to a Special Joint Committee of the Senate and the House of Commons.

(1430)

In March 1993, first reading of Bill C-116, the Conflict of Interests of Public Office Holders Act, which included amendments to the Parliament of Canada Act. Finally, in June 1993, a report from the Special Joint Committee of the House of Commons and the Senate recommended that Bill C-116 be set aside. You can hardly take this process seriously! The same day, a similar report was tabled in the Senate. Bills C-43 and C-116 died on the Order Paper, upon dissolution of the 34th Parliament on September 8, 1993.

The process is a political masquerade and shows the controversy that exists around a code of ethics for Canadian parliamentarians. All this is necessary to make the Liberals feel good about themselves and as a sop to democracy in the Canadian federal system.

Now what? We start over. Throughout the 1993 electoral campaign, the Liberal Party of Canada was saying that ethics should figure strongly in its mandate. It also said that in 1973. In the January 1994 speech from the throne, the government said it attached the greatest importance to integrity and wanted the people's trust. What a dream.

However, as regards conflicts of interest, the most important element in a code of conduct and ethics, the ethics counsellor, appointed by the Liberal government, still reports to the Privy Council, has no independent investigative powers and continues to report to the Prime Minister.

The Liberal Party's red book provided that, and I quote: "The integrity of the government is put into question when there is a perception that the public agenda is set by lobbyists exercising undue influence away from public view". Recent events have

shown that the entire Liberal strategy on a parliamentary code of ethics, confirmed by the government motion before us, is simply window dressing.

Thus, the Broadcasting Act, which comes under the Minister of Canadian Heritage, carries no weight in the face of the powerful lobby of Power DirectTv, headed by André Desmarais, son-in-law of the Prime Minister. The Liberal government has even reached the point of defending ideas dear to the hearts of Brian Mulroney's Conservatives and is becoming the advocate of North America wide competition. In reading the releases from the Minister of Canadian Heritage one can only bow to the strength of the Power lobby and kiss federal democracy good-bye, because money is king.

We should be concerned by the pettiness of our institutions and some of our political representatives. Not only does the government mock its own legislation and renounce the CRTC, which is responsible for implementing it, but it takes measures retroactively, preventing ExpressVu from starting up its service in September. All this in the name of competition. Meanwhile, the ethics counsellor of red book fame is sleeping in the Prime Minister's waiting room. After only 17 months in power, this government already has a long track record attesting to its lack of openness.

In addition to the previous examples and the government's mediocre record for introducing legislation establishing a code of ethics for parliamentarians, you will recall that, on September 26, 1994, Canadian Press reported that, according to documents obtained under the Access to Information Act, lobbyists arranged more meetings in the months prior to the tabling of Bill C-43, which was passed on May 8, while others vowed to go to court should the law force them to disclose their public and political relations.

In this case as in many others, the lack of transparency prevented the public from learning the extent and nature of lobbyists' representations with regard to Bill C-43. Ironically enough, lobbyists managed to influence the law aimed at limiting their influence. That takes some doing.

Worse yet, according to Mitchell Sharp himself, the Prime Minister's senior consultant on ethics matters, even if Bill C-43 had already become law at the time talks were held on privatizing Terminals 1 and 2 at Pearson airport, the public would have been none the wiser.

(1435)

The majority report on Bill C-43 tabled by the Liberals reflects a faint willingness to oversee lobbying activities and ensure that the management of government is as open as possible. The government's attitude in that regard shows that, once again, the Liberals are using double talk on the issue of ethics. They are only trying to make themselves feel good and to score points with the electorate.

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While the Government House Leader is tabling a motion calling for the establishment of a special committee responsible for developing a code of conduct for parliamentarians, behind the scene, this very government is flouting the most basic rules of democracy by favouring friends of the Liberal party and governing on behalf of the financial establishment and big business in Canada. How could we not want to leave this place of political scheming?

The Bloc Québécois, as the official opposition, feels that, to restore the integrity of our democratic institutions, we must first do away with the futile commitments of the past 20 years, which mislead voters. We must also ensure that the management of government is as open as possible, in order to eliminate grey areas and assure the people that public policy decisions are consistent with their general interests and not those of the lobbyist friends of this Liberal federal government.

[*English*]

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, the rules governing the conduct of members of Parliament are as outdated as they are widespread.

The Parliament of Canada Act, the conflict of interest code, Beauchesne's, the standing orders and House procedures all contain guidelines for the appropriate conduct of MPs. For years governments have talked about consolidating all these different rules into one code of conduct while at the same time bringing them up to speed with the realities of governing in the nineties, realities that could not have been imagined at the time when these rules were written.

Since 1973 consecutive governments have championed the issue of a code of conduct, yet not one significant piece of legislation has ever been passed. From Trudeau to Mulroney task forces were set up, special committees were struck, and reports and bills were written, all in the name of establishing ethics guidelines for MPs.

While in opposition members of the Liberal government were highly critical of the Tories for their legislative inaction. The following question by the Liberal whip in 1993 is clearly a case in point:

Mr. Speaker, my question is for the Deputy Prime Minister and it concerns the government's so-called commitment to ethics in government. In February 1988 the Tory government introduced a conflict of interest bill and has allowed it to die twice on the Order Paper. Given that nearly five years has past since then, is the government, in its dying days in office, ready to commit itself again to conflict of interest legislation?

The Liberal whip was criticizing the Mulroney government for its failure to pass legislation regarding its 1985 throne speech promise to create a parliamentary ethics package.

Today, 10 years after this Mulroney promise, members of the House are again addressing the issue of parliamentary ethics, this time in the name of a Liberal motion; not a bill, not a discussion paper, not a white paper, but a motion that calls on members of the House of Commons to appoint a special joint committee of the Senate and the House to study and develop a code of conduct for politicians. The committee composed of seven members of the Senate and fourteen members of the House of Commons will travel across Canada and once again hear how the government should hold its representatives accountable.

The 22-year history of the development of ethics guidelines for members of Parliament is as long as it is uneventful. In 1973 the President of the Treasury Board, Allan MacEachen, a Liberal, tabled a green paper entitled "Members of Parliament and Conflict of Interest". Among the issues addressed in the 69-page report were problems associated with conflicts of interest, corrupt practices and government contracts. Potential solutions and sanctions for these problems were also proposed. The document was studied in the committee of the House of Commons as well as in a Senate committee but was never debated in the House.

(1440)

In 1978 legislation relating to the green paper, Bill C-6, was tabled but was left to die on the Order Paper. Five years later, in 1983, Prime Minister Trudeau set up a task force to study conflicts of interest for MPs as well as public sector ethics. A comprehensive report was produced but like so many reports commissioned by the House nothing became of it.

In 1987 the Ontario Supreme Court found that former cabinet minister Sinclair Stevens had breached the Canadian conflict of interest rules on 14 different occasions prior to his resignation in 1986. As a direct result the Mulroney government introduced conflict of interest Bill C-46 for MPs, which unfortunately once again died on the Order Paper at the end of the parliamentary session. A similar conflict of interest Bill C-112 was introduced in the next session. It too died on the Order Paper. Again the Tories introduced legislation, this time Bill C-43 which was along the same lines as its predecessor. It too died on the Order Paper.

The pattern which has developed is incredible. A code of conduct is studied, legislation is drafted, introduced in the House, and after months of sitting idle it is finally dropped. Study, introduce, drop; study, introduce, drop.

None of the bills was ever really debated. They went from first reading to the Order Paper and that was it. It was as though the Tories kept the bills around to point at in case one of their MPs got caught with their hands in the public cookie jar.

As a result of their failed attempts, and I use the word attempts loosely, the Mulroney government created a special

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joint committee of the House of Commons and the Senate to study the issue of conflict of interest. Does it sound familiar? It should. That is exactly what the Liberal government now wants to do.

A lengthy study of ethical issues confronting politicians was conducted by the committee. Witnesses were heard, testimony was given, and a 60-page report was submitted to the House and Senate. The report made 14 principal recommendations for a code of conduct and among them listed compliance obligations for politicians, post employment restrictions, criteria for negotiating government contracts, the need to create an independent jurisconsult or ethics counsellor, disclosure obligations for politicians, conduct for inquiries and possible sanctions, and Criminal Code provisions in relation to bribery, influence peddling and breach of trust.

These are just some of the 60 pages of recommendations made by the special joint committee to Mulroney's government in 1992. At the time the Liberal whip was a member of the committee. His official title was government operations critic but in commenting on the special joint committee report he wrote:

The challenge for Canadian legislators—is to ensure that such reports as this are not allowed merely to gather dust on a bookshelf.

Needless to say, like all previous ethics initiatives and despite what the Liberal whip said the report gathered more than just dust as it was completely buried. At the time the Liberal whip was obviously frustrated by that fact and on February 17, 1993 he moved a lengthy supply day motion which read:

That this House condemns the government for its continued failure to establish and to adhere to a clear and high standard of public sector ethics, for its incessant inability to function within the framework of existing legislation, guidelines and standards, and for its reluctance to bring forward strict new codes and legislation with regard to conflicts and other public ethic matters.

That motion applies today to the government.

Mr. Speaker, you have sat in the chair and you have heard our questions over the last month or two. The government was self-righteous when it was on this side of the House. Now look at what is happening. Look at the Minister for Canadian Heritage: dollars for contracts dinner and personal intervention on radio licence renewal. Look at the minister of public works and the highway 104 diversion of funds. Look at the Minister of National Revenue in cahoots with the Minister of Justice who helped fire a law firm with years of drug prosecution experience in favour of an inexperienced firm that contributed heavily to his campaign. Those matters are all well documented and were brought out during the last three weeks in question period.

What about the ethics counsellor, the Maytag repairman? He reports directly to the Prime Minister rather than to Parliament as promised in the red book.

(1445)

If a code of conduct said that you make an election promise in writing, signed by everybody and everybody campaigns to get here to do that, what would happen if they broke their promises? I just wonder how they would handle that in this joint committee. This ethics counsellor is never asked to look into anything, from the Perez affair to the Liberal family compact.

The appearance of conflict of interest is overwhelming, and there are definitely sufficient grounds for actions on what I have pointed out. If the Liberals do not apply the rules that we have now, then why in heaven's name create more rules under the guise of a special joint committee? They will not follow them anyway. It is a sham on the Canadian public.

In his usual verbosity, the Liberal whip criticized the Mulroney government for its failure to establish an ethics code during its mandate. During debate he chastised members of the government because "six years of waiting for conflict of interest rules is long enough, and that shows a complete lack of interest in the ethics on the part of the Tory government". He has been in the government now for two years and we do not even have anything on the floor except a motion to form a joint committee once again, doing the same old thing as the previous governments.

On that day, the Liberals did more than just criticize the government. They offered some ideas and solutions that they felt could be implemented right away. This government, when it was in opposition, had some good ideas, some concrete suggestions. One of these ideas was the establishment of non-partisan nomination and confirmation procedures for order in council appointments such as the officers of the House, deputy ministers, heads of crown corporations, citizenship court judges. Have they done this? No.

A second idea was the establishment of a central registry of awarded government contracts under which the details of any government contract awarded should be open to public scrutiny. Have they done this? No.

A third idea was the elimination of registration fees for tier one and tier two lobbyists and that they should be required to disclose in a public register major expenses and fees with description of the lobbying activity and most importantly what political body they are lobbying for. Have they done this? No. Could they do it? Yes. They could do this, but no, let us set up another expensive, exciting, expletive joint committee.

These are just a few of the recommendations the Liberal members made for an improved code of conduct for MPs. It is quite clear that these were not off the cuff ideas but well thought out initiatives made by a party that had witnessed eight years of Tory corruption. I hope we do not have to sit here for eight years of Liberal corruption.

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With this special joint committee, the Liberals are now saying that everything that was said in the past, all the ideas and initiatives that were to be followed through on, if only they had the chance, are all history. Kaput. They say one thing on this side of the House and once they get over there they do the other.

Why is it that we cannot just sit down in this House and write out a code of conduct that is acceptable to all parties? Why must we spend thousands of dollars for another series of committee meetings and setting up the overhead to send senators and MPs all over to listen to witnesses, only to find out what we already know? We already have it done.

We have two previous Liberal ethics initiatives—they are now government—four Tory bills, countless discussion papers, and a 60-page report on the conduct for MPs. Why do we not just dust some of these off, and look in the book, find out what they said and pass something?

Again I quote the Liberal whip from 1993, when he attacked the Tory government for its failure to pass an ethics bill: “Does the member actually think that it is reasonable after five and a half years of delay to have had nothing happen yet? It has been six months since the unanimous report of the committee, and nothing has happened yet.”

If this joint committee ever does file a report, how many years will the government let it sit on the shelf collecting dust? Does the Liberal whip think it is reasonable for the Government of Canada to examine the issue of political ethics for 23 years with no results and then ask the taxpayers to fork out for yet another group to study the issue?

Heck, he can write the bill himself for all the work he has done. But do you know what, Mr. Speaker? The Prime Minister is no longer listening to him. Give us a break. Ring the bell and ask everyone to bring a pen and a paper and we can have this thing written in a day.

If the Liberals want to talk about reasonable, then I suggest they acknowledge the fact that this House has more than enough information to establish a code of conduct without any road show.

(1450)

Unfortunately, it is apparent from today's debate that the Liberal government, like the Tories, does not have the intestinal fortitude to enact major reforms to the code of conduct for MPs. Like the Tories, it is in their best interests to bury the issue in committee, and I will tell the House why. When political parties are in opposition in Canada one of their primary objectives is to try to limit the power and authority of the government, hold the government accountable, point out incompetence and always question the integrity of the government. That is when you are on this side of the House.

On the other hand, the government always tries to perpetuate its own power by denying and/or ignoring opposition scrutiny, as is the case in this Parliament. Any increase in scrutiny of governmental affairs means a decrease in its authority in that particular area: health, revenue and taxation, public works. What is good for the goose is not always good for the gander, as the Liberal whip likes to say. And what is good for the Liberals in opposition is no longer in their best interests in power. It is sort of a power paradox.

All members have to do is look at the facts. They speak for themselves. In opposition the Liberals harped on the Tories for their failure to establish an effective code of conduct for MPs. They made some constructive suggestions in debate, in reports, in articles and endorsed the last report of the special joint committee. Did they invoke it? Did they bring a bill forward? No. They wanted to ignore it and do the work all over again.

As the Liberal member for Edmonton Southeast stated, “I would like to see the recommendations of the special joint committee enacted”. The fact is, the recommendations were never enacted and the Tories were booted out of office. All of a sudden the Liberals, the party of integrity, became the government. And what has happened? They have lowered the definition of integrity.

What happened to the ethics report they endorsed? What about all the proposals they made to increase the scrutiny on members of the House? What about all the criticism they gave the Tories for not acting immediately? Why are they not doing what they said they would do in opposition? At least when Prime Minister Mulroney was on that side and a minister got into trouble or gave the appearance of a conflict of interest, the minister stepped aside. Now we have that case and the minister is not stepping aside, nor has the Prime Minister asked him to step aside.

Like all previous governments, the Liberals realize they cannot possibly give away the kind of power that was suggested in opposition. Instead they give out small tokens and establish needless committees like the one we are debating today, which will not accomplish a darn thing.

The Liberals have done nothing to increase scrutiny over order in council appointments, an issue they were adamant about in opposition. As a matter of fact, they used an order in council to create another possible conflict of interest over the direct to home satellite TV business.

To quote the Liberal whip in 1993, my favourite witness on the topic, “The only thing we have had is an order in council review process that gives no power to a committee, not even the power to make a recommendation to the House of Commons”. What has changed since then? The problem still exists. Why do they not just fix it? They have been in office for two years, and what have they done? Nothing.

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The same can be said about Liberal inaction to introduce legislation that would open up the government contract process. In fact, on Wednesday, May 31, we heard that the president and vice-president of the riding association of the Minister of National Revenue were awarded contracts. Now the Liberals are going to bury all this in a special joint committee, which I guarantee will not report back anything new to the House in the area of political ethics or code of conduct initiatives. The Prime Minister will point out how great this committee is when it is nothing more than a dog and pony show and a waste of time, effort, and money.

This government is no better than the Tories when it comes to legislating a code of conduct for politicians. The creation of this committee is a *déjà vu* of how Mulroney kept ethics on the back burner.

The Liberal whip has been sitting there devouring each and every word I am saying here today. He wrote down his ideas in a 1991 discussion paper entitled "Public Sector Ethics and Morals". In this paper many questions are raised on the issues of government advertising, government contracts, order in council appointments, lobbyists and whistleblowing.

The Liberal whip then went on to write an article in 1992 entitled "Members' Interests—New Conflict of Interest Rules for Canadian Parliamentarians". How much more study does the Liberal whip have to do on this issue? How much more? This is getting ridiculous.

(1455)

We have here the people, the skills and the information to write out a code of conduct right now. The member opposite has the ability to make a tremendous contribution to this. He has studied it to death. He has read it to death. Why in heaven's name would the Liberal whip then want to have a joint committee to do all this work all over again when he has spent years on it already? Does he want to spend another year on another joint committee to come up with the same conclusions, the same recommendations he has already made? I challenge the federal government to just do it.

This motion is going to pass. Since the government wants to do another review, this time the Reform Party will be there to hold it accountable to actually bring a bill to the House and pass a code of conduct. Reformers object to this joint committee because of the senators, but we will work toward giving Canadians what they should have—politicians with integrity and a new code of conduct bill.

Mr. Dick Harris (Prince George—Bulkley Valley, Ref.): Mr. Speaker, I am trying to digest Motion No. 24 and my thoughts range from somewhat confused about the purpose of this motion to anger.

Let me talk about the confusion first, because I am a little confused about what the Liberals believe. What does this Liberal government believe? What kind of rocket science do they really think is needed to do things that are good, right, and honest? Those are fundamental characteristics of integrity. Yet this government, despite the numerous studies, commissions, inquiries, investigative bodies that have tried to determine what is the right thing to do when one becomes an MP or a government, is missing some basic points: good, right and honest. That is not rocket science. That is what we are taught by our parents when we are kids, when they are trying to groom us into becoming responsible adults: do things that are good, right, and honest.

It is unbelievable that after over a hundred years of this Parliament being in operation we have a government that wants to find out how to restore and keep the trust of the Canadian voters. Let me save the government a whole lot of time. I want to give it five very simple suggestions. It will save the committee time. It will save a lot of MPs and senators time. Here they are, and they are free. I will repeat these after and I will send each of the Liberal members a memo on this. The first one is do not lie. The second one is do not cheat. The third one is do not steal. The fourth one is do not reward your friends with taxpayers' money. The fifth one is if any member of Parliament does this, that member them out.

Therein you have a code of conduct in the first four points and the last one is a deterrent. That is not rocket science. I did not need a committee to come up with those points. This government does not need a committee to come up with ideas on how to be a good, honest member of Parliament. This government does not need a committee to know how the Canadian voters regard politicians at a slightly lower level than used car salesmen or lawyers—with all due respect, some used car salesmen and some lawyers.

(1500)

In the last 15 years the level of respect for politicians and the level of trust that was felt by the Canadian voter have severely deteriorated. In this 35th Parliament we not only have a job to run the country to make sure the economy, the social programs and everything else are going to run smoothly, we also have a profound obligation to begin to restore the trust of the electorate which is missing.

I have heard it said time and time again that the only reason our current Prime Minister looks so good is that he followed the Mulroney Tories who were so bad. In my opinion our current Prime Minister has a lot of latitude but because of the way this government is running things and because of some of the things which have happened since this 35th Parliament convened, people are starting to wonder if this government is just another wolf in sheep's clothing. Some hon. members have already

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talked about them but it is worth going over some of the very disparaging things which have happened.

There is the Minister of Canadian Heritage's now infamous \$2,000 a plate dinner and the subsequent perception of his rewarding his friends with government contracts paid for with taxpayers' money of course. We have talked about the monopoly status awarded to Expressvu and the ties between Power Corp. and the Prime Minister. The list goes on and on.

Most recently there has been the appointment of a legal firm in Vancouver. Lawyers were engaged by the government to prosecute drug cases but they had no previous experience in dealing with the prosecution of drug cases, a very serious crime. In prosecuting a drug case in particular, a lot of factors are involved, including the gathering of evidence by the police and putting it together by the crown which is most important in order to win the case. The evidence is clear that the lawyers from the legal firms recently appointed by the Minister of Justice had no experience in this area. However they did qualify for the appointment because one happened to be the president of a Liberal riding and the other was a fundraiser for the Liberals.

The Canadian public was fresh from a Tory regime in which it completely lost trust in the leader of our country and they elected the Liberal government whose red book was trumpeted at every occasion. It promised to restore integrity, trust and honesty to government.

When Canadians think about those promises, about the way the red book was flashed around for everyone to see and then they see those things happening, they ask: "Who can we believe?" They get pretty discouraged. Even some people who did not vote for me come into my riding office and say they thought the Prime Minister was going to change things. They thought the Liberal government was going to bring back some form of honesty to government. They are very disappointed.

Now a joint committee of MPs and senators is going to be formed to try to rediscover life in so far as honesty and integrity goes.

(1505)

Mr. Speaker, I am not going to speak as long as my hon. friend who just spoke. I do not have the sense of humour he has about this. It is a very serious subject.

At the end of the day and most recently when walking home at 11 or 11.30 at night we might ask ourselves: "What on earth am I doing here?" We hear about some new revelation of conflict of interest the government has and we remember why we are here. I am here because I was so disgusted with the way politics were run in this country that I wanted to come here to do something

about it. I am going to try, but at the end of the day if nothing changes in this House at least I can say that I tried.

I want to go back just for a moment and review those points I made at the beginning. This government does not need a committee to understand the things that are good, right and honest. We do not need a committee because those things are fundamental in how we develop character. Any member of Parliament who does not possess those characteristics does not belong in this place.

Free of charge for the Liberal government, let me go through it again. Do not lie. Do not cheat. Do not steal. Do not reward friends with taxpayers' money. Those are the four very condensed codes. The deterrent is that if any of those are broken, they should be thrown out of this place. That is free for the Liberal government and free for every member of this House.

We do not need a joint committee of senators and members of Parliament to try to discover some nirvana being dreamed up by the government, some field of operation that is so clouded no one can understand it. Do not lie. Do not cheat. Do not steal. Do not reward friends with taxpayers' money. That is all that is needed and honesty and integrity will return to this House once that is accomplished.

Ms. Margaret Bridgman (Surrey North, Ref.): Mr. Speaker, the points I was going to make on this motion have been admirably expressed by my colleagues before me.

We are talking about Motion No. 24 which is part of the process in carrying out Bill C-43. This motion deals with the creation of another committee to study the parameters for a code of ethics for MPs. When we consider the historical activity this topic has been subjected to over the years, we cannot really commend it surfacing again even though the need is very predominant. However, we cannot say it is a step in the right direction or give congratulations that we are actually addressing this. It has been around too long. The matter has been put forward so many times with no action resulting from the process in the past. The reputation of this topic is such that one wonders if we mean business or if it is a filler that is just going to be brought in again, discussed for a bit and then allowed to die.

Considering that we come from all walks of life, ethics is a moral topic that we are dealing with. We all have different value systems. The existing rules from the various sources we receive direction from are very general so that they are subject to all kinds of interpretations depending upon one's value system. The consequences over the years of all those sorts of variables have resulted in the general public not trusting or believing in the integrity of members of Parliament and senators and it is time that we address this.

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(1510)

I really question whether we need to set up another joint committee. Certainly all the guidelines and actions that have happened in the past which have set precedents should be correlated. We should study the present code of ethics or conflict of interest situations to see what we have and try to tighten them up so that we have less interpretations of what the actual situation is. Then we can see if we need to take this further or at least get back to the public for input.

This has gone through a number of studies. Possibly all that is needed is to gather together what we have and with the members of the House and the other place get on with setting a code of ethics versus travelling the country spending many dollars to get input from people who have been here in the past.

We have had an example which should be considered. If this motion is passed and the committee is put together we could use the 35th Parliament as an example from the point of view that we have 204 rookies. We are all learning. When it comes to what is ethical and what is not ethical the first thing we discovered was that we were never off duty. Everything we do is viewed by the public. One is always an MP. When does our personal life begin or even come into being here? One always seems to be an MP.

When talking to learned people who have followed this through the years, it absolutely boggles the mind the kind of things that can get you into trouble. They can seem very innocent. These sorts of things should be defined. It would be very nice if we could go somewhere, look at the ethics and come up with an interpretation that would at least provide a standard or average for what MPs and senators believe. Right now it is all over the ballpark.

We work hard. We spend a lot of time working. We are very concerned about the country. Yet we get ourselves into positions of trouble and there are no guidelines to help us. We should be providing some sort of rules with tighter interpretations. If it means another committee, then that is the way to go. I certainly do not want to see it die. The reputation of this topic is poor. Let us try to do something about it.

We do not have to go out and be subjected to bringing more people in. We have the data here. Let us put it together and come up with something.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I am almost honoured to be one of the last speakers of the week. It is interesting to address Motion No. 24 which arises out of the provision contained in Bill C-43, the Lobbyist Registration Act.

This motion is for the creation of a joint House and Senate committee to establish a code of conduct for MPs, senators and lobbyists and I have to say that an ethics code is a worthwhile effort which must be pursued.

Let us look at the pursuit of that. I have a very interesting pile, not a prop, of parliamentary documents on my desk which show that there has been interest in this subject for years and years and where is it getting us? I have here "New Conflict of Interest Rules for Canadian Parliamentarians", by the hon. member for Glengarry—Prescott—Russell. Good show.

(1515)

I have here Bill C-116, which was first read in the House of Commons in March 1993.

I have here Bill C-43, conflict of interest guidelines for parliamentarians, dated June 1992, the Hon. Senator Stanbury and Don Blenkarn joint chairmen.

Here is another one from the hon. member for Glengarry—Prescott—Russell entitled "Public Sector Ethics and Morals: A Discussion Paper" dated October 1991.

Then there is Bill C-43, dated November 1991, an act to provide for greater certainty in the reconciliation of the personal interests and duties of members of the Senate and the House of Commons, to establish a conflict of interest commission and to make consequential amendments to other acts.

These show real interest on the part of the House over the years to say let us do something about the ethics around here.

There was Bill C-46 in 1989, Bill C-114 in 1988, and "Ethical Conduct in the Public Sector" by the Hon. Michael Starr and Hon. Mitchell Sharp, a book written in May 1984.

Then there was Bill C-6 in 1978. How far back do we need to go to show that there has been real bona fide interest by both Houses on the subject matter of ethics?

There is the little green book by the Hon. Allan J. MacEachen, which was written in July 1973.

There it is. Years of evidence saying that something must be done. Here we are in 1995 and again we are hearing declarations of great intent. We really must get at it now. This is the time to get at it.

I will compliment the government for the initiative which says: "Let us do something about ethics". However, my note of caution concerns the recent actions of the government. The words are fine. What are its actions? I do not think the actions of the government meet the lofty rhetoric.

Since the government came into power, which is now approaching two years, we have had many examples of what I would call less than ethical behaviour. We had the Minister of Canadian Heritage interfering with the CRTC in the matter of a radio licence application for a constituent. We had the same minister lunching with movie moguls in Hollywood at the same time the Seagram takeover of MCA was being negotiated. Now we have that same minister engaged in a dinner for dollars affair, which has clearly placed him in an apparent conflict of interest.

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If these ethical breaches were confined to just this one minister one could conclude that he was simply misguided, ill-informed or just plain incompetent. However, the Minister of Canadian Heritage is not alone in this fall from the ethics bandwagon.

We are all aware that currently the auditor general is investigating a situation involving the diverting of \$26 million in highway funds. In this instance the Minister of Public Works and Government Services has benefited politically, not financially I am sure, by seeing the money go from a busy and deadly stretch of the Trans-Canada highway to a seldom used tourist trail in his Nova Scotia riding.

We have also seen the justice minister awarding contracts for crown prosecutors to highly placed Liberals, some of whom have connections to the revenue minister. While it is commonly accepted that the awarding of such legal contracts is based on partisan politics or downright patronage. The government promised it would do business differently. It promised to break with politics as usual in favour of a more open and honest process. Has that promise been kept?

(1520)

These are a few examples of some of the less than ethical behaviour of government ministers. I could go on at length but time is limited and it might be of more use at this time to review exactly what the government had to say on the issue of ethics during the election campaign and look at the promises it made.

The now infamous red book, dead book, states: "The most important asset of government is the confidence it enjoys of the citizens to whom it is accountable. If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored". These are wonderful words.

Similarly, the red book promised to appoint an independent ethics counsellor who will report directly to Parliament. Has the government met this promise or its overall commitment to restore honesty and integrity? On the issue of the promise of an independent ethics counsellor reporting to Parliament, the answer is very clearly no. The counsellor is not truly independent, as he is beholden to the Prime Minister and he is certainly not free to report directly to Parliament.

On the general issue of restoring honesty and integrity, I also submit the government has failed. A quick look at the newspapers these days will provide evidence of this fact. The *Ottawa Sun* on June 13 in an editorial entitled "arrogance" slams the Prime Minister over his handling of the latest debacle involving the heritage minister: "For a party that campaigned on the premise of restoring ethics and integrity—the Grits sure have a funny way of going about it".

Ottawa Citizen columnist Greg Weston summarized the government's code of conduct on June 11 in the following manner: "Thou shalt do nothing that lands thee in jail. Other than that, boys and girls, have fun at the trough".

Columnist Sean Durkin has also questioned the integrity of the government: "Day by day, the Liberal government is acting and sounding more like the Mulroney government of old". Hardly a ringing endorsement of the red book pledge to restore honesty in government.

From today's *Ottawa Sun*, Robert Fife, page 12, talking about the ethics councillor:

Wilson has been silenced and the role of the ethics counsellor has turned into a farce. The sole reason that Chretien has stubbornly refused to fire Dupuy is to show that he is different from Mulroney. He wants to be able to boast that he hasn't had to fire a single minister to scandal unlike the dastardly Tories.

Instead, what he is doing by defending Dupuy is demonstrating that he is every bit as bad as Mulroney when it comes to ethics.

In fact, he is worse.

At least Mulroney would do the right thing and remove ministers who did wrong from the cabinet table, albeit only after concerted pressure from the opposition benches.

Clearly these examples show the government has neither the will nor the intestinal fortitude to truly divert from its politics as usual policy. This is one of my big concerns about this motion. It may look good on paper but it is obvious the government is not serious about the issue of ethics.

Maybe I should be fair and clarify the statement. It is obvious the Prime Minister is not serious about the issue of ethics. I add this clarification because the member for York South—Weston has publicly urged the Prime Minister to ban the type of fundraisers that have landed the heritage minister in hot water.

(1525)

The hon. member says this would be an important move to restore integrity to politics. He is quoted in the *Ottawa Sun*, June 12, as making the following comments about such practices: "They are buying access. There are always IOUs attached. You have to be pretty naive and deaf, dumb and blind to think otherwise".

The Prime Minister's top personal adviser is quoted in the same paper: "Cabinet ministers must separate business from fundraisers. Some cabinet ministers are not following conflict of interest rules".

I stated at the start of my address that I believe this motion has some merit. As I have illustrated, allowing the government to control this process is like allowing the fox to guard the henhouse. Surely it is not in the best interests of restoring public faith in the integrity of politicians to appoint politicians and lobbyists to draft a serious code of conduct. To me such a process would be an immediate conflict of interest.

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I also question the value of involving unelected, politically appointed patronage hacks in the process. Appointed senators have little if any legitimacy in the democratic process and therefore should not participate in what we are trying to do here. The public must have full access to and involvement in this process. This is the only way to restore integrity and ethics in government.

To accept this motion is to accept the Prime Minister's ethical code of hear no evil, see no evil. Surely no one in the House can find that acceptable.

The overall intent of the motion is good. I support the intent but I have lots of reservations with the process. We must find a way to include the public. We must severely limit or eliminate the role of politicians and lobbyists in the process and we must insist that the ethics counsellor be free to report directly to Parliament.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, I have been listening to the debate unfold this afternoon and have seen five or six inches of various reports the House has done on ethics over the last few years.

I have been very blessed in my life to have more than one mother. One of my mothers is my Jewish mother. She comes up with little pearls of wisdom we refer to as chicken soup for the mind.

Once when we were talking about ethics specifically in business she said ethics is simply doing the right thing even when you know no one is looking.

Mr. Jim Abbott (Kootenay East, Ref.): Mr. Speaker, it has been really interesting this afternoon as we have listened to this debate in talking about the whole issue of ethics, particularly the number of reports.

There has been report after report starting as far back as the report of Senator MacEachen dated July 1973. There is all of this information. As has been pointed out by my colleagues, why are we having another committee? Why are we doing this?

(1530)

Why do we not simply assimilate all of the information, put it together if we need to and come forward with a plan in the next couple of weeks, instead of months or years?

Surely with all of the work put into this process thus far we do not need to have more input. Particularly instructive to me is the amount of involvement reported that the government whip has had in this process. The member has had input and input. Is he really so short of things to do as the government whip that he needs to have a make work project to have more input into this process?

This is a joint committee. I will refer with respect to the other place. I will not play games. We are talking about the other place being a place where people are appointed fundamentally on the whole basis of patronage. What has it done for the existing Prime Minister? What has it done for the party currently in power?

We have a very interesting situation at this moment as we all know. Because the Conservatives had power for a period of nine years, the Liberal government is having some difficulty getting certain pieces of legislation through the House, not the least of which is Bill C-69, and certainly when we get to the gun control bill, Bill C-41 and hopefully Bill C-85, they will be slowed down over there so Canadians can really see what the government is up to.

Nonetheless, the point is the people in the other place have been appointed on the basis of patronage and we are having a joint committee with them to figure out what is wrong with the whole parliamentary system based on patronage. It seems to me things are slightly out of order.

We came to the House with 52 members of Parliament in October 1993 whose electors at that time thought they were the best people to represent them. I think of the member for Ottawa—Vanier who used to sit across from me. What does the government do? It has a place it needs to fill. Why did it put him there? Why did David Berger suddenly resign his seat to work for the Prime Minister? It was to get the labour minister here.

There is the whole issue of manipulation of the political system by the existing party. It talks about transparency. It is very transparent. The government has absolutely no concern for the dollars of the ordinary Canadian taxpayer when it will force a byelection in order to fill the place of patronage to accomplish certain political objectives.

Furthermore, there is no direct accountability by the people in the other place to the people of Canada. Let us assume every member in the other place is honourable. Let us create that as a basic assumption. The point is still not one person in that place has direct accountability to the people of Canada. We have accountability to the people of Canada by coming here on the basis of an election. Why in the world will the government not get serious, including this whole debate? Why will it not get serious and start to do something about making the other place accountable on the basis of getting the people over there elected?

There is no question that could be done. Reform Senator Stan Waters was the first and only elected member of the other place. It can be done. The existing premier of Alberta and the Government of Alberta brought forward legislation that created a situation in which there could be an election for the Senate. Again, the Liberals could have done exactly the same thing when they got their own bag person to be appointed to the other place on the basis of patronage. Just as easily as not, they could have gone through a legitimate election process and started to

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legitimize the other place rather than just having people there on the basis of sheer patronage.

I am in support of this motion on the basis of the fact that we will perhaps get some movement forward on the issue of ethics within the government, although there is some question about the existing government on that basis, nonetheless we can always hope. The point I am driving at is that when we ask people who are in a place of patronage to be involved in a process of talking about ethics and patronage, it just does not make any sense. If a commission has to be formed, I would see it as being the responsibility of those of us who are elected to this Chamber who have the confidence of our constituents.

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

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more than five members having risen:

The Deputy Speaker: Pursuant to Standing Order 45(6), the recorded division stands deferred until Monday, June 19, 1995 at the ordinary hour of daily adjournment which is 11.30 p.m.

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COMMITTEES OF THE HOUSE

CITIZENSHIP AND IMMIGRATION

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I think you would find unanimous consent for the following motion. I move:

That between June 24, 1995 and September 30, 1995, the Standing Committee on Citizenship and Immigration and the necessary staff be authorized to travel to Vancouver, Edmonton, Toronto, Halifax and Montreal to hold consultations on settlement renewal.

The Deputy Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to.)

The Deputy Speaker: I wonder if there might be unanimous consent to call it five o'clock?

Some hon. members: Agreed.

The Deputy Speaker: It being five o'clock, the House stands adjourned until Monday at 11 a.m.

(The House adjourned at 3.38 p.m.)

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