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Tuesday, October 31, 1995

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Tuesday, October 31, 1995

The House met at 10 a.m.

Prayers

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 four petitions.

* * *

[English]

PETITIONS

TAXATION

Mr. Paul Szabo (Mississauga South, Lib.): Mr. Speaker, on this first and new day for Canada I present a petition that has been circulating all across Canada. It has been signed by a number of Canadians from Uxbridge, Ontario.

The petitioners 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 the Income Tax Act discriminates against families that make the choice to provide care in the home to preschool children, the disabled, the chronically ill and the aged.

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

BOVINE GROWTH HORMONE

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

The first petition calls on the House of Commons to do an independent and transparent review of whether we should allow BGH, a synthetic bovine hormone, to be used in Canada.

JUSTICE

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the second petition draws to the attention of the House that there is a problem with serious personal injury crimes being committed against people across Canada.

The petitioners call for a list of nine different things they would like to see the House of Commons address, including keeping dangerous sex offenders locked up for life, eliminating statutory release and so on.

I agree with my petitioners on that.

INDIAN AFFAIRS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the third petition calls on Parliament to go slowly on the negotiations with native land claims in British Columbia and turn the Indian reserves over to the bands in fee simple.

The Speaker: Just a gentle reminder that we need not agree or disagree with the petitions we present. We should simply present them and let them stand on their own.

MINING

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, I have a petition from dozens of citizens in the metro Toronto area and small communities around Toronto expressing their support for the mining industry in Canada. Mining employs tens of thousands of Canadians and is an important part of the economic strength of the country.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Is that agreed?

Some hon. members: Agreed.

*Government Orders***GOVERNMENT ORDERS***[English]***CUSTOMS ACT**

The House proceeded to the consideration of Bill C-102, an act to amend the Customs Act and the Customs Tariff and to make related and consequential amendments to other acts, as reported (with amendments) from the committee.

Hon. Christine Stewart (for the Minister of Finance) moved that the bill, as amended, be concurred in.

(Motion agreed to.)

The Speaker: When shall the bill be read the third time? By leave, now?

Some hon. members: Agreed.

Mrs. Stewart (for the Minister of Finance) moved that the bill be read the third time and passed.

(1010)

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I have the privilege of beginning the debate on Bill C-102 at third reading.

I also have the privilege of being the first member of the government to speak to the House of Commons after the rather monumental day we had yesterday. I welcome back all members who participated in the referendum. We will continue to debate the affairs of the country, as we have in the past, with the good spirit and dignity all members bring to the House.

Although we have felt very passionately and very differently in the last while about things, I expect we will continue to work together both in committee and in the House in the spirit of improvement during the coming months.

Before I get into the details of Bill C-102 I will discuss the efforts of the government, particularly the Minister of Finance and the Department of Finance. I will discuss the improvements we are making in the framework to deal with questions of tariff and trade.

In a general way governments have during the last 10 years endeavoured to change our relationship with our major trading partners. That resulted in the emergence of the free trade agreement, which was a bitterly contested piece of legislation, becoming law in 1988. In its original form it caused a great deal of dislocation in Canadian industry and trade. Since we have formed the government we have made some improvements to it and we now find it an effective framework for dealing in North American trade.

At the same time the less controversial agreement, NAFTA, which was as influential as the free trade agreement, came into effect and set out our trading relationship with Mexico.

More important, from a strategic point of view the underlying agreements around the world have changed in the last few years. I am referring to the World Trade Organization. Canada is now participating in a whole new regime which affects its trading relationships. It affects the way disputes are being adjudicated. It changes the specifics of tariff regimes on a whole number of commodities traded around the world. It is a giant step forward and Canada has played a leading role.

As Canada fights for its interest on the world trade stage, it continues to have a number of disputes with its trading partners and it must aggressively pursue its interests. I do not have to tell the House how frequently the minister of agriculture has had to defend and promote the interests of western Canadian grain farmers against, in the trade sense, parochial interests from the United States.

Similarly, the fur trade industry is threatened by new European regulations which will come into effect on January 1. The regulations will affect a large part of the fur export business. However, the Canadian government, under the leadership of the Minister for International Trade, has been very aggressive in pursuing changes to these regulations which will not only achieve the environmental and humane aspects of the fur trade business but also promote our access to markets.

We have suggested a number of worthwhile compromises. Leaders from Europe have visited Canada. They have visited our research stations. They have visited the north to speak with the aboriginal people involved in the fur trade.

(1015)

In the end we are going to find ourselves with an agreement which is more acceptable to everyone. Failing that, we are willing to take the dispute to the World Trade Organization. Although not many cases have been made before it since its inception, this is a very strong case and we can promote it.

Returning to the ground level of the World Trade Organization, we are constantly going through our regulations and trade structure to make sure that our own rules and regulations conform to the international situation. For example, our tariffs have to be reviewed constantly.

There is a new trade structure in Canada for arbitrating among different industries. The CITT is an example of a trade tribunal which allows different industries to present their case as to what the levels of tariffs should be. This too is a new dispute mechanism which we think in the overall picture is a very important change. It gives the different sectors of the economy a chance to make a plea in front of a regulatory body instead of simply making a plea to the political leaders, which at times because of the specific interest and regional needs can be a very

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difficult act for industries to get involved in. Everybody prefers the new tribunal to the old system. It is dealing with its first case and we will see how that proceeds.

Bill C-102 fits into the good government theme we have been pursuing since forming the government two years ago this month. The red book, the speech from the throne and the budget each year have promoted this good government theme. We believe we are bringing to Canadians changes that are necessary, essential and desired to make for a more effective and productive economy.

A number of the measures in Bill C-102 build on the government's review of Canada's tariff regime announced in the 1994 budget. They are designed to ensure that Canada remains a favourable location for producing goods for investment and also that Canadian businesses, including small businesses, are placed in a better position to profit from Canada's free trade agreements.

Certain amendments we put into this piece of legislation, for example, the enhancements to duty deferral programs and tariff reductions on manufacturing inputs, are designed to lower input costs for businesses and to maintain and enhance the competitiveness of Canadian businesses in Canadian and world markets. In addition, Bill C-102 provides for a number of technical changes to simplify, clarify and modernize the customs tariff and its administration and to make it easier and less costly for business to access tariff relief programs.

The amendments to facilitate the processing of travellers at the border will allow Revenue Canada to focus on other important border issues such as smuggling and the processing of growing commercial imports. I want to speak to that for a moment. One of the aggravations which has developed in Canada and U.S. trade is not among big corporations or even in our professional relationships but as individuals travelling back and forth.

It has been a long time since these regulations have been modernized. We are trying to achieve a threshold so that people returning from the United States, Europe, Asia, or from wherever they have travelled can bring back a reasonable amount of goods, taking into account what the prices really are around the world, without having to go through a lot of processing and trying to figure out how to cook the books and evade the law.

More important, for those people who conform to the law or who are regular travellers, new systems have been designed for them to cross the border without having the complication of constantly being checked and having to fill out forms. Those people are in the vast majority of Canadians who, when they

travel back and forth between the United States and Canada, do so without complication and without any idea of trying to avoid the border crossings. Allowing them to go through quickly allows Revenue Canada without any increase in resources to concentrate on contraband and smuggling. The large movement of goods or services costs the Canadian economy money. They are illegal and we want to keep them out of the country.

(1020)

These are productive changes which reinforce the message that good government is responsive to Canadians. Good government means providing an easy way for people to carry out their activities in accordance with the law at the same time creating a more effective police force to deal with those who are not conforming with the law.

These changes were first announced last June and have been well received at border crossings. Canadian businesses have not felt any undue hardship because of the increased limits for travellers. In the coming winter travel season Canadians will appreciate the ability to get across the border more quickly. We anticipate an increasing tourist industry for Canadians travelling abroad, but more important for people coming to Canada. It is incumbent upon us to make sure that people can come into this country easily.

Vancouver is emerging as a very important port in the cruise industry. We have done things to facilitate the movement of people into Vancouver and on to those ships without tying them up for hours at border crossings or causing unnecessary procedural delays.

I commend the Minister of National Revenue, who is from British Columbia, for many of these initiatives. He was very proud when the Prime Minister visited the Vancouver airport a couple of weeks ago. That visit by the Prime Minister showed that real progress has been made in the area of customs and customs administration.

I look forward to input from members of the House who have border crossings in their ridings on whether they now find the service more effective. As the service is extended from coast to coast over the next few years more and more Canadians will appreciate the changes being made by the Minister of National Revenue. He has the full support of the government. I again commend him on his initiatives and activities.

[*Translation*]

As hon. members may recall, this bill provides for important customs changes that will give Canadian businesses and individuals significant benefits on the long term.

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These changes include the improvement of Canada's duty deferral programs and the reduction of tariffs on a broad range of inputs. They will allow us to improve the competitiveness of Canadian industry by lowering the cost of inputs.

The proposed amendments will also update travellers' exemptions. Together with other measures proposed in this bill, this provision will facilitate the processing of travellers' applications and allow customs officers to focus on the real priorities such as processing the ever increasing number of trade imports and the fight against smuggling.

The bill also contains technical amendments that will make the customs system more effective. The customs value of imported goods is one of the most important changes in this regard.

[*English*]

The finance committee had a very good hearing last week. Several witnesses met with us and talked about questions of evaluation and answered questions on how to proceed with the law. Tariff is an obscure part of what we do, yet for many businesses and many professionals who specialize in tariff regulations it is at the heart of the way they do business. Witnesses came forward and told us that we should be doing some things in a different way. The government was very interested and listened to them.

(1025)

The Canadian Manufacturers' Association had a dispute over how we were dealing with tariff relief on certain types of items. After a couple of years it was found that if the government decided that a particular item, for example a table in the manufacturing process, was not tariff free, a tariff could be retroactively applied. The committee broke at that point and national revenue officials went up to my office with officials from the Canadian Manufacturers' Association. Consequently, they came down with an amendment and changes were made.

That is an example of being very productive in the way we approach legislation. It is very respectful of the finance committee.

Under the leadership of the member for Willowdale, the finance committee has to deal with many different subjects. It is probably one of the busiest committees in the House of Commons. The areas under consideration can be very complex. For example, in the last two weeks we have had to deal with the tax treaty with the United States in Bill S-9. We have had to deal with tax treaties with other countries in Bill C-105. We have had to deal with measures from the budget in Bill C-90. We have had to deal with Bill C-103, which is the change in the Income Tax Act to deal with split runs, and we have had to deal with Bill C-102.

All of this shows the wide range of interests members on the committee have and their ability to respond relatively quickly to the needs of a minister, whether it is the finance minister, the national revenue minister, the minister of citizenship, or the heritage minister. We have had to respond very quickly and find out what the subject issues are.

When witnesses come forward and say to be careful, that we may be making a mistake, it is not taken lightly. As I alluded to a moment ago in the case mentioned earlier, changes were made on the spot when we saw that the association had a very good point.

One of the issues I wish to address is to make sure that the witnesses understood why we did what we did and why some changes were not made. The major amendment we introduced in committee was to reduce tariffs on manufacturing imports which would remove the competitive disadvantage that currently burdens Canadian manufacturers, since the U.S. tariff rates on average are lower than ours.

Another amendment enhanced, streamlined and consolidated Canada's duty deferral programs resulting in lower import costs for Canadian exports, easier access to programs by small and medium size business and the greater ability of Canadian regions to compete with U.S. free trade zones.

The most controversial area is the free trade zones. I will take a minute to explain what our strategy is because members opposite probably have local businesses, chambers of commerce, or whatever coming forward and saying they want a free trade zone. They want to have an area where economic activity can take place in a zone free from any taxes or taxes shared by others.

Free trade zones have emerged around the world as a very important tool in reducing costs for businesses in dealing with their markets. The Europeans have one in Amsterdam around the airport. The Americans have several. There has been a longstanding demand for a free trade zone in Canada.

Going back to the early 1960s, at least for the last 35 years we have made a number of efforts to target slow growth areas in this country and create some regional development programs. It goes back to the days of DRIE and DREE. There was also the tax credit which was eliminated last year. There have been a number of them.

The premise behind this is the isolation of slow growth areas from faster growing ones, or in the vocabulary of economists, it is red pencilling certain areas. We can isolate by census track those areas in greatest need. We can take the lowest 5 per cent and say that arbitrarily we are going to help everybody who lives in the lowest 5 per cent of the census track as judged by unemployment rates, industrialization and population size. There are many factors we can take into account. What we have found over the years is that the schemes have not been particularly effective. Despite 35 years of pretty extensive pro-

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gramming and tax measures there has been limited success in attracting industries that are of long term benefit to a region.

(1030)

Since we have formed the government the three regional development agencies we have, Western Economic Development, FORD-Q, and ACOA, have all changed their strategy as a result of the recognition of what I have just said, which is that many of our programs have been ineffective. This applies not only to the federal government but also to the provincial governments that are hesitant to get involved aggressively in regional development schemes which frequently do not work and cost the taxpayer a lot of money.

Having said that, we still have to find very effective ways to increase the capabilities of our industries for producing goods and transferring products from the Canadian market into our export markets, because that is our fastest growing area. Those who have been watching the economy very closely for the last 18 months know full well that the growth in our economy has come from exports and not from the domestic market. We still have a reluctant consumer. We have a very low demand on residential housing and commercial real estate is also slow. But we do have to our credit a very productive and fast growing export oriented industry which crosses several different sectors: manufacturing, agriculture, professional services and the automobile industry. We have been very effective in developing expertise that takes us around the world.

A number of cities have come to us, Calgary being one, as well as some suburbs just outside of Vancouver, Halifax and my own town of Winnipeg. They have told us that if we help them form a free trade zone they will create an atmosphere to increase exports, particularly into the American market. Winnipeg, through a new group called Winnport, has been very aggressively profiling Winnipeg as a transfer point from the European markets to Southeast Asia and into the United States. I wish the leaders in this campaign every success in achieving its new ambitions.

They have come to us and asked why we do not help them form a free trade zone. They ask us why we do not take the area around the Calgary or Winnipeg airports and create a zone that eliminates tariff barriers. In some cases in the United States this would eliminate labour laws and a whole number of regulations to make it easier to export to the United States.

We are very much interested in exports to the United States. However, at the federal government level we are preoccupied with enhancing the activities related to the export and not to the geographical region which goes back to what I said at the beginning. The regional development strategies where we delineate zones for special treatment tend to be counterproductive. If we take an area around an airport, what do we do with the exporter who is two blocks away? Do we want the exporter to take down his plant and move it, or do we want to move the zone over two blocks? If we move the zone two blocks, what about the

architectural firm that happens to be three blocks away? Do we move the zone three blocks away?

We have said to the municipal governments that the local development authorities, the chambers of commerce, and the provincial governments that have come forward with different schemes should be organizing and stacking up the provincial and municipal programs they want. If they want as a municipal government to zone certain lands and create an industrial park to encourage exporters to move there and show them the benefit of being close to an airport or a truck route or whatever mode of transportation is important, they should go ahead.

What we are interested in is a tariff regime that makes it effective for exporters to get their goods out of Canada and into the United States. We will change the rules and regulations to make it as easy as possible for businesses to import the products, the goods and the services they are working with to make whatever it is they are exporting so they can get them to market with minimal intrusion by the federal government.

(1035)

We think Bill C-102 goes a long way to accomplishing that goal. We believe that once this becomes law exporters will find themselves within a regime that makes it a much easier decision to get into export markets, a much easier decision to import certain inputs and to add value into export to the United States, Europe or Southeast Asia.

I must say we have deliberately decided not to get into free trade zones as traditionally defined at the local level but instead to tell people who come to us with proposals to do what they think has to be done in their local market and we will be there to support them through a national regime that will facilitate the activity, which will in turn create jobs and economic growth.

This returns us to one of the premises of our government, which is that good government means the production of jobs and the expansion of the economy. The heart and soul of this government rests on the jobs and economic growth strategy. We feel that Bill C-102 contributes directly to this.

The legislation also contains changes to improve the operation of the customs tariff and the Customs Act. One of the most important changes concerns the valuation provision of the Customs Act. This valuation provision was discussed by many witnesses before the finance committee last week.

It is essential that the rules for determining value for duty not be vulnerable to manipulation or abuse. Otherwise, both government revenues and fair competition would be put at risk. In this connection, Bill C-102 contains provisions that would clarify existing Canadian valuation policy. That policy is that the basis for duty and tax assessment on imported goods is the price payable by the Canadian purchaser. This is consistent with the thrust of the GATT-WTO valuation code and with NAFTA. Furthermore, the provision corrects problems that have also been identified and corrected by some of our major trading partners. These measures will ensure that Canadian producers

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receive the full protection they are entitled to under Canadian legislation.

In going through the bill in more detail, I would like to begin with the enhancements to Canada's duty deferral program. Duty deferral programs defer or relieve custom duties on imported goods that are subsequently exported but are awaiting formal entry into Canada. Bill C-102 will enhance, streamline and consolidate Canada's existing duty deferral programs: duty drawback, inward processing and bonded warehousing. This is what I was speaking to a few minutes ago when I talked about our response to the free trade zone concept.

The results will be lower costs for Canada's exports, programs that are more easily accessible by small and medium size business and greater ability of Canadian regions to compete with U.S. free trade zones. This will help attract and keep investment in our country.

I would like to emphasize the changes are a result of extensive consultation with business and enjoy broad industry and regional support. I can attest that after consultations with us people in Winnipeg see more clearly what we are trying to do and how their plan fits in with our plans.

Related to the enhancement of duty deferral is a change to the Access to Information Act. This change would protect the confidentiality of taxpayer information provided by the importing community under the Customs Act, customs tariff and the Special Import Measures Act. This is very important for businesses dealing with us.

Most export sectors are very competitive. If individual manufacturers feel that the information about their companies is being shared, they will not participate. At the same time we desperately need their participation in order to have a better understanding of what is happening.

(1040)

Another major amendment proposed in the legislation is a reduction of tariffs on a wide range of manufacturing inputs. The amendment is also directed toward the relief of customs duties on manufacturing inputs so that our producers can compete more effectively. This amendment will enhance the competitiveness of Canadian producers both at home and internationally.

In essence we will be removing the competitive disadvantage that currently burdens Canadian manufacturers vis-à-vis their American counterparts by reducing tariffs on some 1,500 tariff items covering manufacturing inputs to more competitive levels, generally to the levels seen in the United States. Since the

United States is our major trading partner, we feel it is very important that our levels be consistent with their levels to maximize the competitive advantage of our industries.

The competitive problem is mitigated by the fact that exporters are entitled to receive full reimbursement of their input duties through duty drawback. However, as of January 1, 1996, existing duty drawback entitlements on exports to the U.S. will become more restricted under the NAFTA commitment. Therefore, to ensure that Canadian manufacturers enjoy the full benefit of Canada's free trade agreements we must bring our tariffs on imported inputs to more competitive levels. The 1,500 input tariff reductions I have referred to account for over \$2.5 billion in dutiable trade.

Another important amendment is the increase in duty exemptions for Canadians travelling abroad. This is a simple updating measure, which brings Canada's exemptions into line with those of its major trading partners. The bill will raise the levels of exemption as follows: to \$50 from \$20 after a 24-hour absence; to \$200 from \$100 after 48 hours; and to \$500 from \$300 after seven days, with the once a year limit being dropped. I would remind hon. members that the new travellers exemptions are already operating without disruption.

A further measure in the bill will also help to streamline Canada Customs clearance procedures for travellers under what is known as a basket tariff item basis. Under this measure the government is proposing to replace the thousands of existing categories of goods with as few as 12 categories. That will be of great benefit to Canadians travelling abroad.

In addition to the amendments I have discussed, the bill contains a number of other changes of a largely technical or housekeeping nature. Most will serve to clarify the intent of existing customs and tariff provisions. Perhaps the most important of these deals with the value for duty of imported goods, also known as the valuation provisions of the Customs Act. It is essential that the rules for determining value for duty not be subject to any manipulation or abuse. Otherwise, revenue and fair competition will be put at risk.

Bill C-102 contains provisions that clarify our existing practices in dealing with valuation. It is founded on the concept that the price paid or payable should form the basis for assessing duty and taxes on these imported goods. The valuation policies and practices that are used by Revenue Canada are in fact the same ones that have been in place since the introduction of the GATT valuation code in the mid-1980s. The amendment to the valuation provisions of the Customs Act will provide protection to Canadian businesses as envisioned by the legislation.

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Members of the House will recall that Bill C-102 contains one tariff rate increase which I would like to explain. The British preferential tariff is being withdrawn from certain rubber footwear, thereby restoring the 20 per cent most favoured nation tariff rate. Former British preferential trade imports will now compete on the same basis as other foreign suppliers. At the same time the bill allows for future improvements to preferential tariff treatment for the world's poorest developing countries.

(1045)

Finally, several motions were introduced in committee, as I mentioned before, and amendments were made. For the most part the changes introduced by the government were minor technical amendments, but I should like to make sure the House fully understands what these were.

Of note, one amendment responds to requests from Canadian importers by allowing rubber footwear in transit to Canada on June 13, 1995, when legislation was introduced eliminating the British preferential tariff free rate, to take advantage of the lower tariff free rate rather than being subjected to the 20 per cent most favoured nation tariff rate.

The other notable amendment responds to the concerns expressed by the Canadian Chamber of Commerce about the proposal to shorten the filing time limit for remissions under the machine program. The government has responded to this concern by allowing importers up to four years to claim remissions on goods eligible for duty free treatment under the program.

To sum up the specifics of the act, the legislation is about improved competitiveness, increased exports and enhanced employment prospects for Canadians. Bill C-102 will help to promote the continuing good health of Canada's large and vital export sector. It will help Canada maximize the benefits we enjoy under the free trade agreements and the changes proposed in the legislation will be welcomed by the great majority of Canadians affected by them.

As I alluded to when I began my speech, this is a piece of legislation which may not have high visibility to average Canadians. However, to those who are working in manufacturing plants, to those travelling abroad regularly and to those seeking the most competitive position because their own jobs are at stake, this is one of the most important steps the government is taking in its workaday fashion, its desire to make the economy work and its desire to get government right. This is one of the steps we are taking that we think will in the end provide for greater job security and the enhancement of our export sector.

It is with a great deal of pride I presented the bill to the House and have taken it through committee. It will make a major contribution to the Canadian economy. For that reason I call on members of the House to support the bill and to see to its speedy passage.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, I find very telling the fact that the first bill to be considered following yesterday's referendum in Quebec would deal with free trade.

I think that, in a way, this confirms the opinion held by the vast majority of Quebecers, who believed that a partnership with the rest of Canada would have been possible. We received some confirmation this morning that the federal government wishes to improve Canada's economic relations with the U.S. through a bill which basically makes trade between these countries easier. This is very telling indeed, in my opinion.

Quebecers were the first to agree with and to support free trade between Canada and the United States and Mexico. I would just add this must go on, and efforts must be made to ensure that markets are available regardless of which political entities maintain them.

This is true particularly for small business, which accounts for 80 per cent of all job creation taking place in Quebec and which has taken on the challenge of dealing with the U.S. and Mexico.

(1050)

However, free trade must definitely be seen as more than merely an economic issue. The challenge for all Quebecers and Canadians is not to trash the social programs that may have been put in place in Canada. It seems to me that this is a major consideration.

We will not win this free trade battle with the U.S. and Mexico by trying to make anything and everything match the American standard. I think that this will be particularly true in what lies ahead in terms of social program reform, including unemployment insurance and old age pensions. The government of Canada will come up with options which it will hopefully table soon and which will enable us to determine whether it has given in to American competition and agreed to play their game or else decided to play the free trade game while preserving the values unique to our society.

Accelerated harmonization will only result in making people increasingly dependent on the economy, and increasingly the poor will be going after a limited number of available jobs and, while their employability will increase, their incomes, wages, gains may not follow. In examining a free trade bill, therefore, it is important to look at the other side as well, that is to say the larger system within which free trade will take place.

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So, yes to free trade, because we want trade conditions to be eased. We even made a proposal in that sense during the referendum campaign, but it was not accepted by a majority of Quebecers. I think that Quebecers should be congratulated for respecting the democratic choice made. Results such as those of yesterday are not necessarily easy for anyone to take, considering that, for each group of 100 Quebecers, a single person made the difference.

This is true regardless of who that person is. I am not trying to make individual distinctions, but the fact is—and you people know what it is in terms of winning an election—that, for each group of 100 persons, a single Quebecer made the scale tip in favour of one side instead of the other. And you know what it is to win elections. Given that result, people deserve a great deal of respect for accepting, as they did in Quebec, such a close decision. This is not to say that we are giving up on our ideals. Certainly not.

I want to point out another aspect of the bill which, I feel, is important for both Quebec and Canada, namely the need to ensure that the protection granted to the cultural industry will not be jeopardized by a bill such as this one, which concerns goods, including a number of concrete physical products. But there is the whole cultural sector, where we will have to maintain such protection. Indeed, the debate that just took place in Quebec made Canada realize how fragile its position was in relation to its U.S. neighbour. We have to take a close look at some of this.

In fact, Americans should perhaps go back to their history books. It seems as though they decided, in recent days, that no change was better than good change. Sometimes, such things lead to short term victories. However, from a medium term perspective, these issues must be looked at more closely, since Canada, as a member of NAFTA, will, in the future, be confronted with such situations, particularly when countries with economies comparable to that of Chile, likely the next nation to join NAFTA, will become partners under that agreement. We will have to show the same respect towards these countries, whether they are big or small, and treat them for what they are.

When the free trade agreement was signed, we were told that it would take a few years before we started to notice a real difference. It is important to understand that this bill allows for an increase in the value of goods travellers can bring back, to bring these values in line with those set by our main trading partners.

(1055)

With this bill, therefore, there will be concrete action to increase exchange, to facilitate exchange. It must be looked at from that point of view, and it will be seen that there may be some advantages to Quebec consumers, Canadian consumers and American consumers once these regulations are in place. At

the same time, we must ensure that our economy and our industrial structure are capable of following suit.

There is one aspect which the representative of the government has not addressed, but which I would like to present. This type of bill will impact upon the regions of Quebec and of Canada, because a change in customs operations can impact upon the number of customs offices there will be in a region, for instance, and on how businesses will be serviced.

I refer in this connection to clause 12 of the new bill, which states:

Goods, other than goods of a prescribed class, that have not been removed from a customs office, sufferance warehouse or duty free shop within such period of time as may be prescribed may be deposited by an officer in a place of safe-keeping designated by the Minister for that purpose.

That may seem gobbledygook to some, but basically the question that must be asked about this clause is the following: in regions where customs offices are closed, will that mean businesses are farther from their markets and therefore less able to service them?

We must ensure that proper choices will be made. There have been some indications that have not been very reassuring. For example, the government has announced the closure of five customs offices in eastern Quebec. There will, in fact, be none further east than Quebec City. The offices that used to be located in Rivière-du-Loup and Rimouski, the customs officers right out to the Gaspé, all those will be done away with. Can these changes be made without negative impact, ensuring that acts such as this one will facilitate trade?

These are matters that must be looked into. Care must be taken to ensure that the thing is done correctly. This is not really a change in legislation but rather a change in administrative application, and the government must ensure that its decisions do not penalize the outlying regions.

I have already stated, and return to the point here, that it is highly significant in my opinion that the intent of this bill is to concretize aspects of the partnership between Canada and the U.S. Throughout the entire referendum campaign we were told many times that the same thing is not possible between Quebec and Canada. It is very surprising, but at the same time very instructive, to come upon it again this morning, and this allows those who have taken part in the debate to see where the reality of that debate lay.

How can we arrange things in this area to avoid the bureaucratic complications experienced in a number of other sectors? Bill C-102 contains many technical elements, such as clause 5, according to which the operator of a sufferance warehouse or duty-free shop

—shall keep in Canada such records—and shall, where an officer so requests, make them available to the officer.

In other words, customs brokers, the people who work in this sector, have a list of items—a, b, c, d, e, f, and up to i—which they are supposed to keep, so that in future they can produce them for the federal administration. From this side, it looks much like an approach that was often used in the seventies,

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which I think is not necessarily a good idea for the future, because when I talk to owners of small and medium size businesses today and ask them what the government, any government, could do to improve the situation, I get two answers.

The first one may seem rather surprising but is understandable. They suggest reducing subsidies but doing it across the board. The second one is about bureaucracy.

(1100)

I am referring to the administrative paper burden for small and medium size businesses, which means they often have to spend as much time on paperwork as much larger companies in order to meet government regulations. In this bill we will have to ensure that what customs is asked to do—maintain certain records—can be done efficiently without getting into the same problems we had with the GST, for instance.

Finally, Bill C-102 implements the effects of the free trade agreement. Generally speaking, we ought to applaud the fact that these regulations will be put in place, since they will provide for a better trade relationship between the signatories to the free trade agreement, which is what everyone wants.

Quebecers were among the instigators of the Canada-U.S. Free Trade Agreement, and they certainly hope this will continue. At the same time, we should remember that countries do not necessarily need very big borders to engage in mutually beneficial trade. In the nineteenth century, wars were fought to expand a country's territory and thus its domestic markets. As we approach the end of the twentieth century, we realize this can be done quite differently by simply letting everyone engage in trade, thus shifting the scene from the battlefield to the economy, where people who can produce goods and have a stable society are able to survive and contribute to economic development. That is where we are today. And we hope this trend will continue, but always with due respect for the society we represent.

One sector that is more or less affected by this bill and that I would like to bring to your attention is the dairy industry. Farmers in Quebec and five other provinces in Canada signed an agreement in the summer of 1995 which covers milk supply management throughout their territory. This agreement is valid at least until 1999, when it will be reassessed. It could last much longer. The producers reached this agreement in an effort to face the approaching challenge as the GATT agreements reduce tariffs in milk sales, which are of concern to them. We have set them a big challenge. Fortunately, however, they have already faced major challenges.

This sector, which is more vulnerable than a number of others requiring appropriate measures, needs all the support it can get to face the upcoming changes. One is the partnership between

Quebec and five other provinces in Canada to deal with this market and also to obtain appropriate forms of assistance from government in increasing productivity to enable producers to provide a better quality product and to make products available in market niches that do not yet perhaps exist. One example of this is biological milk production.

It is important to be able to forecast developments in industry, in agriculture and in other sectors and to see what is coming up. When we fail to do this, we find ourselves in situations like the one in Quebec last week, when, suddenly, the federal government realized the situation in Quebec was special. After two years of saying that Quebec's situation in Canada would be resolved through good federal government, it had the lesson of its life, discovering that, in both Quebec and Canada, the problems were more than just economic. There are problems of distribution of wealth and of balance between the country's two founding peoples. The message from Quebecers was very clear: without specific change and without concrete proposals acknowledging Quebec's place in this country, in the very near future, a majority of Quebecers could well decide to change the situation.

(1105)

That was an example involving the agricultural sector. One thing Parliament could do, in my opinion, through the standing committee on agriculture, for example, would be to ensure the options chosen for the coming years, and I am referring not just to the term of the present agreement, which lasts until 1999, but afterwards, are relevant to the priorities of the sector.

There is something distressful about the fact that there are fewer and fewer actual people farming, but their economic impact remains as strong as ever. We must not fall into the trap of elected officials who say that, if fewer people are involved, less concern is warranted. We must instead establish the sensitivity of this sector and the type of action to be taken. This latest referendum campaign was a real revelation for me: it showed me the importance of these situations and of knowing how to plan ahead. I think we may be judged on this as well.

Bill C-102 is therefore here to be passed. The Bloc Quebecois feels it should be passed. It will support it. It also feels that bills enabling us to make progress should always be passed. We should never be afraid of change for its own sake.

When change is appropriate, we have to know how to integrate it. When it is not appropriate, we can reject it. However, when it is appropriate, we have to know how to integrate it. This is very important and, much later, this is how what we have done will be judged.

I would therefore like to say, in conclusion, that Quebec put its faith in free trade and will continue to do so, so that, in the end, each of the characteristics of the components of North America, and of the francophone people in particular, may be

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recognized, validated and further developed, and Bill C-102 is one tool that will help in this regard.

[English]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, the Reform Party also supports the bill. I will be speaking generally in favour of the bill.

Before I do I will take a couple of seconds and speak to the referendum last night. We cannot pretend that did not happen. We cannot just walk into this place and sleepwalk toward a further disaster.

The hon. parliamentary secretary had a few words to preface his remarks and my blood ran cold when I listened. The essence of what he said was that he welcomed those people who were trying to break up our country over the last couple of years and last night. He welcomed them back and said let us go on as before, working in committee and working in the House.

For the last two years going on before meant that every single word that came out of the mouth of the Bloc, and everyone in the Chamber knows it, has been to one direction, toward building a preface for the referendum last night for taking Quebec out of Confederation.

We cannot go on as before. We have to turn the page on that. We have to go forward. We have had 30 years, all of my adult life, of trying to appease people who would break up the country. It is time to stop it. All it does is foster a festering tribalism evidenced last night for everyone to see on national television by the premier of Quebec.

If we pretend this kind of thing is not going on in our country we are not doing our jobs as representatives of the people who sent us here. Tribalism is tribalism and that is what we have had here for the last two years. Let us not call it anything else.

(1110)

To the embarrassment of Canadians everywhere, because the vast majority of Liberals opposite are afraid to confront the Bloc, to confront this tribalism, to confront these people, at every opportunity they get they back away. They back away from it in committee. They back away from it in all opportunities in the House. We recognize the Bloc has 53 seats. It is the loyal opposition but that does not need to be the way the House operates.

No one has ever retreated to victory. One does not build a country on appeasement. One builds a country on the values we share. We should be defining the values that make up Canadianism to be a Canadian. It does not matter what language one speaks, what race one is, these are the values that unite us as a country.

I will get on to Bill C-102. The hon. Parliamentary Secretary to the Minister of Finance explained in good detail exactly what the bill is all about.

We support it for essentially the reasons he said. It is a step in the right direction. It is a step to breaking down trade barriers. My hon. colleague from the Bloc is quite right when he asks why we would set up trade barriers between the rest of Canada and Quebec when we are trying to knock trade barriers down between us and the United States.

We are in the process of breaking down trade barriers. One of the ways to do that in a free trade agreement is to, as GATT has forced us to do, start looking at the zillions of financial transactions that take place with us and the Americans on a daily basis and ask how we can make them easier. That is what the bill does.

Many Canadians travel very often to the United States, as I have on occasion with my family, with our pooch Rex in the back seat. Coming across the border, as we are wont to do, we add up all of our purchases. Especially after becoming a member of Parliament I start sweating about an hour before I get to the border making sure I have everything because the last thing I want to do is find myself in *Frank* magazine for having smuggled something across the border.

I start to sweat about an hour before we hit the border and I have a list. By the time we get a little closer my wife is upset. She says: "For goodness sake, why do you not forget it? Let's just go". We have everything listed and we are prepared to stop and pay the 5 cents or 50 cents or \$5 duty or whatever it is.

The last time we got to the border and we had these itemized lists the customs agent asked how long we had been gone. I said six days. We had our list ready and he said he had good news for us: "Keep on going, there is no duty applicable on this".

That makes great sense. We are absolutely thrilled the government is doing this. The government is also going one step further. It is trusting Canadians to make declarations on what they have.

It is very prudent of the government to carry a big stick. If we as Canadians break our trust and smuggle things through, we do not pay the duty or we do not pay the sales tax applicable, the government should reserve the right to come down hard on us.

The changes in the bill, forced by GATT, by the free trade agreement, are obviously steps in the right direction which we support wholeheartedly.

However, it would seem to me that if somehow we could inculcate within the whole apparatus of government the notion of common sense, we could make life a lot simpler for a whole lot of Canadians doing business.

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I want to recount the story of Western Carpet Distributors Inc. in my constituency. A few years ago it was one of the primary distributors of carpet in western Canada. The carpet manufacturers had distributors who would in turn sell their carpets for them. Recently the carpet industry in Canada became vertically integrated. That means that the manufacturers started to sell directly to the retailers without the middleman, without the distributor. When one started doing it they all started doing it.

(1115)

This left my constituent, the founder of Western Carpet Distributors, in a kind of bind. He had built his business over the years and it was a prosperous, successful business. All of a sudden he found that his suppliers were selling direct and no longer selling to him. The carpet manufacturers bought up many suppliers, but for whatever reason they did not buy his business. He was left in a situation where he was competing with the very companies he had built in the first place by supplying product to retailers.

When faced with this, as a businessman is wont to do, he found other suppliers. The other suppliers he found were in the United States. He then had to import material from the United States and sell in competition to the vertically integrated suppliers manufacturing and selling their own carpet in Canada. Because these manufacturers sold in Canada, he had a significant tariff put on his product.

Now it starts to get fairly complicated. The cost of his product should include the retailing or the selling expense. He was not allowed to claim that and had to pay duty on it, yet his competitors did not. This was a fairly substantial blow to him. There is a thick file at Revenue Canada, as he has been trying to get this changed but to absolutely no avail.

There is another situation in which he is caught up, adjusting to that, paying the premium. He is now in a situation where a company that manufactures in the United States, sells to its Canadian subsidiary, a wholly owned subsidiary which then retails and is able to get a cash discount before delivery of 5 per cent. This is within its own family. The manufacturer sells to its wholly owned Canadian distributor but can take a 5 per cent discount. The same Canadian distributor I am talking about does a deal with his competitor and he is not allowed to take that. That is considered a reduction in price and he has to pay duty on it.

We are treating two apples like apples and oranges. This should not be. If we are prepared to give individual citizens the freedom and the right to be held personally liable and give them the trust to come back and forth across the border, should we not also do exactly the same thing with Canadian businesses? Should we not give Canadian businesses the same trust and responsibility? If they misuse that responsibility, we should

come down hard on them like a ton of bricks. But if in the normal course of business they are doing what is not only reasonable but right and makes common sense, why do we not extend that to this sector as well?

Perhaps it is because there would be an army—I do not know; I am sure no one has even thought of it. But if we take this to its natural conclusion, there are a lot of things in our Canadian lives that we could do as citizens and not need governments to do for us. We do not need a whole building full of people with sharp little pencils trying to figure out who is right and who is wrong, who is doing what and who is not doing what. If we are going to have free trade, let us have free trade.

In conclusion, I want to put a few remarks forward on this bill just to ensure that they are on the record.

Bill C-102 and bills like Bill C-102 restore faith in the business sector in imports and exports. They help to bring our country to a competitive level. This is good. However, because of our complicated tax system Canadian investors are still investing outside of Canada more than they are in Canada.

We would support this bill. We would ask that the government continue to bring forward bills such as this and try to make life simpler for Canadians as individuals and businesses so that we can face the future in a much more competitive spirit.

(1120)

The Acting Speaker (Mr. Kilger): We will now move on to the next stage of debate, where members will be entitled to a maximum of 20 minutes for their speeches subject to a 10-minute question or comment period.

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I am very pleased to join in this discussion today on Bill C-102, an act to amend the Customs Act and the customs tariff and to make related and consequential amendments to other acts.

I know there are many in Etobicoke—Lakeshore, the business and industry community, the manufacturers, the exporters, the trading companies and those who travel either as tourists or in business, who are very interested in these amendments.

I thought I would have to debate some of the issues in the bill and call for support from the opposition. I was pleased to hear the support of my hon. colleague from the Bloc and also support from the Reform member who spoke just before me.

It seems as though there is general agreement among all members that the amendments in Bill C-102 would do a number of things. They would increase the capability of transferring goods to export market, enable us to be competitive and encourage and improve the capacity for people doing business in Canada and across our borders.

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I want to draw attention to some of the concepts of good government as we see them in Bill C-102. A number of measures provided for in this bill build on the government's review of Canada's tariff regime.

I want to take the opportunity to compliment not only the Minister of Finance and the Minister of National Revenue, whose work and whose departments have brought forward these amendments, but also the committee on finance that worked on many pieces of legislation, such as S-9, C-105, C-90, C-103 and these present amendments before us.

This bill introduces tariff reductions on a broad range of goods used as inputs in Canadian manufacturing operations. The bill also introduces changes. I believe there was general agreement on these changes to enhance, streamline, and consolidate Canada's duty deferral programs and also to make them more accessible to all manufacturers. These changes exist not only to enhance but also to reduce input costs. These changes allow for regions to more effectively market the programs in competition with the U.S. free trade zones to attract and keep investment in Canada.

There are several amendments to Bill C-102. In the context of good government these amendments are designed to lower business input costs and maintain and enhance our competitiveness and therefore create more jobs and opportunities, as we promised in our red book.

Bill C-102 provides for a number of technical changes to simplify, clarify, modernize and bring up to date the customs tariff and its administration, to make it easier and less costly for business to access tariff relief programs. We heard earlier some examples of individuals in the business community who work with rules that are bureaucratic, out of sync with the way of doing business in today's world.

(1125)

Several amendments to Bill C-102 resulted from broad consultations with the private sector and at the request of those sectors. We heard earlier from the parliamentary secretary about the changes that were made as a result of the input from consultations and presentations that were made to the committee in the drafting stage.

The measures adopted in the bill will do a number of things. They will provide \$60 million in import tariff relief to Canadian manufacturers to level the playing field with NAFTA trading partners. I can say that in Etobicoke—Lakeshore business people are very concerned about this area and I am sure will be quite pleased with the tariff relief section.

These amendments will also position Canadian businesses with a duty deferral program to more easily attract investment and compete in expanding world markets with a minimum of customs overhead. Again, I think every member in the House

who is in touch with export business people knows the issue is an important one for them.

The amendments will also assist and provide opportunities for provincial and municipal governments to enrich the duty deferral program with local incentives. It is always the way in which we on this side of the House work to ensure that the municipal, regional, and other levels of government work in accordance with policies and with what we are attempting to do in the House.

The improvement of services to travellers through simplification of customs procedures will allow customs to focus on smuggling and commercial importation. Those who have been out of the country recently and have come back into the country with goods would already know the implication of this change.

Enacting this bill will not only ensure competitiveness and make all of the housekeeping amendments, but it will also increase the value of goods travellers can bring back to Canada after absences abroad. As someone who has travelled in the last few months, I had to fill out forms and state what I was bringing back into the country. I also became aware of exemptions Canadian travellers are allowed versus the U.S. exemptions, as we cross from the U.S. into Canada. It is a positive step toward the accord we recently signed on our shared border.

There are several other technical things within the bill. I want to stress a few that I am sure my constituents in Etobicoke—Lakeshore, who are watching very closely the passage of this and who are awaiting its full implementation, would like me to emphasize.

I would like to draw attention specifically to amendments which allow for possible future improvements to preferential tariff treatment for the world's poorest developing countries to improve their export opportunities. This is very important for a number of people within the communities attempting to do business in this area.

(1130)

The protection of all goods and jobs and the withdrawal of the British preferential tariff, or the BPT rate as it is called, on certain rubber footwear ensure that all manufacturers and producers are on an even playing field. I mentioned earlier travellers' exemptions and the basket tariff items to facilitate the processing of travellers.

In the context of good government I stress that the amendments will facilitate smooth business across our borders. They will encourage competitiveness. They will respond to our manufacturers, small business people and exporters. They will provide opportunities to provincial and municipal governments to come up with local initiatives to deal with free trade arrangements. All the amendments in Bill C-102 will give Canada the climate to ensure that we have the facility to trade across our borders on an equal footing. The Access to Information Act will protect the confidentiality of taxpayer information provided by

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importers pursuant to the Customs Act and the customs tariff. Those changes would be greatly appreciated by business people.

The housekeeping and technical amendments contained in Bill C-102 ensure that competitiveness will be increased. They will also ensure that the exemptions for Canadian travellers will be in line with those of our major trading partners. The amendments will ensure that related and consequential amendments will be made to all acts that impinge upon the Customs Act and the customs tariff.

These amendments are needed and desirable. I join with my colleagues in saying that the amendments are excellent. Therefore I ask members to ensure that Bill C-102 receives swift passage.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I thank the Parliamentary Secretary to the Prime Minister for getting involved in the debate as it affects all Canadians.

I appreciate that growth is the heart of the Canadian economy. It is very important for all of us to remember that the growth of the wider Toronto area has been in large part based on the export industries. Major cities around Toronto house the auto industry, the direct manufacturers being the big three, and small firms that feed into it such as the parts suppliers. In Toronto a number of different industries export across Lake Ontario into the heartland of American industry.

(1135)

The message the government is trying to get across to Toronto area business people is that we are there to support them in the expansion of the economy and the expansion of their businesses. We are there to make sure they can get through customs at Buffalo or Windsor quickly.

Individual travellers or those who own businesses and use border crossing points know there are long lines and it can be very difficult. It is one thing for individual citizens to be tied up for a few hours on a Sunday. It is frustrating if they are with their children. However it is another thing for truck drivers to be constantly held up as they do business. It extends the working day too long. It makes the cost particularly for businesses with just in time delivery systems very expensive.

We are trying to recognize the new realities in the legislation. We are trying to have members such as the parliamentary secretary take an interest because it helps us to give the message to the business community. The hon. member would probably want to go to the business community in Toronto to explain some of these points.

By way of a question I ask the hon. member whether or not the business community on the export side, as far as she knows, was beginning to understand the changes and the fact that we can accommodate tax free transitions as goods are brought into Canada and exported not only into the United States, which

accounts for a large part of what we are doing, but also into Europe and South America. The Pearson airport is a centre for such transactions into new markets.

The Toronto business community would be very interested. I ask her to discuss it with her colleagues from Toronto. Perhaps we on this side of the House, those from Ontario and others, could help to take the message into the business community and promote Canadian exports through the new legislation.

Ms. Augustine: Mr. Speaker, the comments made and the questions asked are very important and are the basis of my decision to speak to Bill C-102.

Perhaps I can speak to the fact that Etobicoke—Lakeshore is geographically centred in an area close to major highways, the Toronto airport and the borders through Niagara Falls and Windsor. There are thousands and thousands of small businesses, small industries and small manufacturers that are very interested in ensuring their businesses prosper, continue to grow and are a hub of activity in Etobicoke—Lakeshore.

When I speak to business people one thing they say is that governments can do just so much. The business people need to keep government out of the way they operate. They need governments to facilitate. They need the bureaucracy, the paperwork and all such things to be facilitating. If the policies, guidelines, rules and tariffs are facilitated, we can do what we do best. We can produce. We can make sure our production lines are moving, make sure we provide opportunities for individuals and make sure we are part of the global world before us.

We should look at tariff regimes and at what we are doing to ensure that the bureaucracy and the paperwork are minimized for businesses. We should ensure that businesses continue to grow and develop and that we produce employment for individuals.

Not only would I take the message back, but I would make sure that businesses in my area have copies of the legislation and that they understand fully what the government is ensuring will happen for them.

(1140)

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, I am pleased to join in the debate on Bill C-102, an act to amend the Customs Act. I am especially pleased to do it today, the morning following a major decision in Quebec to keep Quebec in a strong Canada.

I made mention of that because Bill C-102 is all about keeping our country strong. Keeping our country strong has been one of its elements and trade is very important to ensuring that our nation remains strong and continues to grow and prosper for the benefit of ourselves, our neighbours, our children and our grandchildren. We can now look forward to getting on with other agenda items for the country. We can focus on some very important matters.

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While Bill C-102 contains numerous items that on the face of them appear to be relatively minor, people involved in importing and exporting know they are very important.

I will talk about trade in the larger context. Most Canadians, my constituents included, will read in the newspapers from time to time about Canada's trade balance compared with the rest of the world or that it has x billions of dollars in surplus with our trading neighbours, particularly our American neighbours to the south. This is an important number but it does not give the whole picture about what trade does for our nation, our citizens, our businesses and the world.

Trade opens and keeps open lines of communication. When the Prime Minister led a delegation dubbed Team Canada to China not long ago, in some quarters he was criticized because there were deemed to be certain problems in China over the issue of human rights. The message was made very clear by the Prime Minister of Canada. We have concerns about what happens in terms of human rights in China, but the way to improve human rights there and elsewhere in the world is principally through trade. Through trade is communication. Through trade is learning. Through trade is job creation and growing and strengthening economies. Trade is the best way to improve our understanding of each other around the world. As is so often the case dollars talk. Free enterprise and capitalism when properly undertaken can in themselves drive the entire world toward higher standards of living and better relations among all people.

The bill is part of the big picture. It is part of what Canada needs to do to ensure that all our small, medium and large businesses compete in the world and at the same time contribute to the world. It is very much a give and take situation.

Canada, with its vast human resources, natural resources and technical know-how, has been able to maintain a relationship with the rest of the world that has been very much to our advantage. We have seen the maintenance of hundreds of thousands of jobs in many sectors of the economy. My riding of Algoma is a riding in northern Ontario which one might not think is dependent on trade. It includes part of Sault Ste. Marie, a border community. I will talk a bit later about what it means to be a border community. We also depend on tourism which is very much a trade item. We also depend on forestry and mining.

(1145)

I had the chance recently to meet a delegation representing the mining sector during their visit to Parliament Hill on a lobby day. It is easier to appreciate that even mining involves trade, the trade of minerals, the trade of natural resources and also the trade of people.

There is no question that without trade we cannot as a nation make the advances necessary to continually improve the lot of our citizens and the citizens of other countries.

I would like to pick out a few of the items in this bill for special mention. The Parliamentary Secretary to the Minister of Finance and the Parliamentary Secretary to the Prime Minister have capably outlined some of those provisions. I would like to relate some of those provisions to experiences I have had in years past in my own work life, for example measures to deal with duty deferral and the tremendous red tape that is involved in importing an item which will be further processed and perhaps become part of another item which will then be exported.

In the seventies I was the manager of a small electronics manufacturing company in my riding. We were producing an electronic product. It was necessary to import a couple of components which simply were not available in Canada. The red tape we had to go through to import those items which would be included in a final product which would then be exported caused more headaches than I could possibly describe in the short time I have today. The lost manpower, the loss of time and resources were incredible.

If there is one commitment this government will keep to business, particularly small and medium sized business, it is the reduction of red tape. Bill C-102 is going to combine the drawback provisions, the numerous provisions that are presently required of small business. Inward processing and bonded warehousing are other examples of red tape now facing importers who require products from outside the country for inclusion in a product which is made here and then exported.

If there is anything we can do for small and medium sized businesses it is to reduce the red tape. From my experience I can say this is certainly a most welcome addition to the streamlining this government is committed to making.

Numerous small companies in my riding export. In Elliot Lake, ELMAR Co. manufactures products for the mining sector. More recently it has diversified to include consumer products such as special clothing for handicapped children and other products. It has faced numerous difficulties with the very issue I raised a moment ago, that being the importation of a good for inclusion in the final product which is to be exported.

The fact that Bill C-102 will also streamline and reduce tariffs is a very welcome measure for this company and others involved in export. The books which contain the tariff codes are huge, about two feet thick. We should do whatever we can to simplify and reduce the requirement that small businesses need to call their broker or a government office to find out about a particular product and its code standing. Whatever we can do to eliminate the necessity of businesses to do that, we are adding that much more to the productivity of that business. Red tape never actually adds profits to the bottom line.

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(1150)

I think business accepts that there needs to be a certain amount of involvement with provincial and federal governments when it comes to paperwork, but there is far too much of it. We made a commitment in the campaign to reduce the amount of unproductive work required by businesses in this regard.

Mention has been made about streamlining border crossings for travellers, tourists and truckers. As I mentioned a moment ago, part of Sault Ste. Marie is in my riding. The border crossing at Sault, Michigan and Sault, Ontario is popular. Some years ago there was a tremendous problem with cross border shopping at a time when our exchange rate was not such as it is today.

Happily, I can report that is not a major problem right now but line-ups are a problem. Line-ups are created because even though 99.9 per cent of travellers are honest citizens and would tell customs or immigration agents the truth when asked, a tremendous bureaucracy has been created to catch the less than 1 per cent of people who are dishonest and might be trying to hide something.

I see in Bill C-102 a recognition that most people are honest. Let us find ways to zip them through the border crossing and instead focus our energies on those who would try to avoid duties or would try to smuggle something into the country.

We have the modern technology and we have seen some pilot projects in B.C. and elsewhere that will lead us to fulfilling the commitment made between President Clinton and our Prime Minister during the president's visit to this country some months ago. That commitment was that the border between our two friendly nations be made more open. We have seen it with open skies in the airline industry. We are also seeing a push toward opening the border, being respectful of the need to manage our different citizenship and our different cultures, but at the same time recognizing that this border, the longest, friendliest border in the world as I understand it, needs to be managed in a way which recognizes that most people crossing the border are honest citizens with nothing to hide.

When I see the provisions of Bill C-102 that are moving us toward that goal, I am very pleased for my constituents of Algoma riding in northern Ontario who are not very far from the U.S. at Sault Ste. Marie.

I do not think we know for certain how this will all work out, what regimes will be put in place to simplify the crossing for visitors and truckers, but if there is a will, there is a way.

I mentioned truckers. What a waste of time for a trucker with a load to deliver to have to wait at the border for some official to go through endless paperwork and examination before allowing him to cross the border. Like our visitors, I am sure 99 per cent of our truckers are carrying legitimate loads to legitimate destinations. Whatever we can do to speed things up, we will be adding to that company's productivity. We will be able to help companies reduce their transportation billings to their customers. Down the line it will mean less expensive products at the consumer level. We are doing everyone a favour when we streamline our border crossings.

(1155)

Also in relation to borders, there have been attempts by the Manitoulin Economic Development Association to establish a ferry service between South Baymouth on Manitoulin Island and Alpena, Michigan. Sadly, that project has been put on hold for a while because of cutbacks by the Ontario government and because the Ontario Northland Transportation Commission has had to cut back.

As part of the project I had made a commitment to work with the Minister of National Revenue and his officials to find a way to establish an international ferry between Canada and the U.S. on Lake Huron. Tourists would benefit from a streamlining of the relationship between our two nations.

Even though this project has been put on hold for the time being, it is very important that we push ahead with initiatives right along the border between Canada and the U.S., be they land or marine borders and that the ability for travellers to enter each country be made as easy as possible. This is in recognition of the fact that most people are honest and do not want to deliberately deprive the province or the federal government of their small share of taxes or duties.

There is an issue which arose in committee and which the parliamentary secretary referred to dealing with the valuation for purposes of calculating duty. In simple terms, the confusion arose over the value placed on an imported good if it was shipped from the manufacturer but the order was placed by a third party who charged a mark-up for the good. The debate was should the value be the price from the manufacturer or the price the third party actually charged the final user in Canada? Very good arguments were made by a number of excellent witnesses who said that the price should be from the manufacturer level.

The committee was not convinced the proposal in Bill C-102 was different from practices in the U.S. or Europe, although good arguments were made that we were undertaking a practice that was different from either the U.S. or Europe.

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In moving ahead with Bill C-102 and with the valuation provision we have made a commitment that, as for all trade related legislation, this legislation will be sent to an international panel for review to make sure it fits within the terms of our international trade agreements. A WTO panel will look at the trade provisions of Bill C-102 to ensure it is consistent with our commitments to our trading partners around the world.

I am sure if a problem is found, being a responsible government we will look at any comments or suggestions which come back from the WTO panel. The majority of committee members were convinced the provisions of Bill C-102 with respect to valuation were consistent with our European and American trading partners in particular.

In my concluding moments I would like to go back to the general theme of Canada as a trading nation. It is important that we maintain our integrity as a good and honest trading partner to the world.

(1200)

We are a trading partner that can be relied on to deliver product on time because our small, medium and large businesses are strong and able to produce and deliver on time. This requires that we not stand in the way of business to produce quality products, that we do not stand in its way to be profitable and that we ensure our education system, our manpower training system, is always there ready and able to provide qualified workers who know how to produce excellent products, who know how to do the research required to enable Canada to maintain its proper place as a leading trading nation.

We look forward to seeing Bill C-102 implemented.

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Mr. Speaker, Bill C-102 represents the opinion and the majority belief of most of us that most Canadians are honest.

I cross the border. I live within 30 miles of the border at Thousand Islands. My riding of Hastings—Frontenac—Lennox and Addington extends from the Thousand Islands to Algonquin Park. We have a steady flow of tourists back and forth. We have small businesses exporting and importing.

Whether I was driving back from the United States or whether, as in a previous life, I was importing, I could see the honest person with the small company was being confronted with too much paperwork. There was a real lack of support for the small business person who was being put behind the eight ball.

Certainly there is smuggling today. If a person wants to smuggle something he would target our area of the St. Lawrence River. I do not want to see us penalize the honest person. I do hope Bill C-102 will help eliminate some of this overburden of paperwork.

The large corporations in our part of eastern Ontario are expanding at a great rate. Bombardier is shipping \$595 million worth of cars to Malaysia and other places around the world. Celanese just got an expansion. It has invested \$191 million so it can export most of that. It is a polymer based product. Basically the polymer to make a shirt is the same product used to make a two-litre plastic pop bottle.

These companies have the resources, the income, the background and the experts to help with the trading nation philosophy we have. However, the small businesses do not always have all this information available. I certainly hope Bill C-102 will help in this respect.

We need to send the message as the bill progresses that we will ally with small businesses so they can access this neighbouring market.

Small businesses in my riding are getting the spinoff from these major orders. Almost \$1 billion has been invested into our area this year. From that many small businesses can take the opportunity to reach into the United States, Mexico and to the fourth amigo down the road. Yet the atmosphere is not always there which says we care about small business. We all acknowledge small business is the engine of the economy. That is where our jobs will come from. How many people are not certain the government is really looking after small business?

This is a great opportunity for Bill C-102 and for us. It is my responsibility following this to show how this will help our small businesses.

I want to get the opinion of my colleague from Algoma that the mandate of Bill C-102 will help our small businesses and in what ways. I know he has studied this bill much more than I have.

Mr. St. Denis: Mr. Speaker, my colleague has always expressed the concerns of his constituents and small businesses across the country very well.

(1205)

Whatever we can do to lift the burden from small business, be it at the border, in sales tax, at the level of corporate reporting, whatever kind of red tape we can lift from the backs of small business is something we can do to improve productivity, improve the bottom line and improve therefore the ability to create and maintain jobs.

The fact that we can plan through Bill C-102 to move trucks through the border more quickly and efficiently means less time for that load between point A and point B and therefore less cost in terms of wasted fuel, manpower, et cetera. This fact alone may only mean pennies on an item in a load, but multiply that millions and millions of times; take two pennies on something worth a dollar and that is 2 per cent.

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If we do that over and over, day in and day out, the accumulation of benefits to the small businesses trucking goods to consumers, to workers, will accumulate indefinitely. The present value of those would virtually be immeasurable.

When coupled with commitments the government has made to deal through regulatory reform with the issue of red tape in all areas, we are as partners to small business. I know some members of the third party say we should be out of business altogether. I am not in favour of government's being overly involved in business but it has a role to play in assisting businesses to trade in the world, to take their proper place in the community, but not to be there as a burden. Government can work with businesses to ensure that even though they have to pay taxes those taxes are used wisely and are as low as possible.

If there is one thing the government can do to assist our economic growth and renewal it is to reduce and eliminate where possible the red tape burden that now hangs over too many small businesses.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I thank the member for Algoma for his speech. The work done by the finance committee was very important in the development of this legislation.

Members of the finance committee over the last year and a half since I have been involved with it have had to deal with a number of different subjects. It requires a lot of work behind the scenes to make sure they understand each of these different bills.

A member such as the member for Algoma who is close to the border, an area which also has a lot of tourism, really depends on the operation of Canadian borders not only for industry but for tourism. A member such as the one for Algoma has to spend a lot of time making sure he or she understands this legislation and is able to contribute to the debate.

The witnesses who came in to talk about Bill C-102 were all very knowledgeable and very expert witnesses. They had very different opinions sometimes from what we wanted to do. It was up to the members of the committee to really strike a balance, to review these interventions and to come out with what I consider to be a first class piece of legislation.

Could the member comment on some of the things he heard in committee and whether he thinks the bill accurately reflects the best way of proceeding on these various issues?

Mr. St. Denis: Mr. Speaker, the parliamentary secretary in being succinct as usual has been accurate in his reflection of the facts as he was referring to me. I did not want to be self-effusive. His comments about me were what I was talking about.

(1210)

There were a number of issues raised in committee. I spoke about valuation. I would like to spend another moment speaking on that because it was certainly the most contentious issue. In fairness, other matters were raised, of which the parliamentary secretary spoke, which were resolved during the meeting. As a member of the finance committee I was very impressed with the willingness of witnesses and officials to actually work out solutions to problems that needed to be addressed immediately.

On the issue of valuation, witnesses might have gone away from the meeting not feeling totally satisfied that we were able to accommodate them. The issue really boiled down to whether the proposals in Bill C-102 were in line with the actions and policies of our U.S. trading partner and the European communities. We were not persuaded there was much difference.

The WTO panel will look at Bill C-102, once enacted, and will let us know whether it is consistent with our obligations to our trading partners around the world.

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, it is a pleasure to address Bill C-102, a government bill, and to have Her Majesty's loyal opposition stand before the House to support the bill and to have the Reform Party also stand before the House to support the bill. After four very difficult weeks it is a great day for Canada to bring in a piece of legislation which the major parties and the Government of Canada can support wholeheartedly.

Bill C-102 will amend the Customs Act and the Customs Tariff. It is a bill of language and a bill of clarity; it clearly defines, enhances and streamlines the duty deferral program.

The Canadian Chamber of Commerce made interventions in committee that perhaps if we did not bring the bill in on a time line acceptable to business more generally some companies would lose or forfeit the duty they may have paid to Revenue Canada because they could not reclaim on time. We have made adjustments so this would not be a problem for business.

These changes are designed to help improve the competitive position of Canadian industry and Canadian business. The amendments will allow regions of the country to be more effective in marketing their programs and their products in a competitive manner which allows Canada to attract investment and to keep business at home.

The aim and the strength of the bill lie in its clarification of legislative provisions to make the tariff framework more clear and to eliminate confusion and ambiguity for Canadian companies, importing companies and travellers.

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The bill also prescribes the terms and conditions on which licences for the operation of sufferance warehouses or duty free shops may be issued to include the provision of security which may be required in the operation of these warehouses or shops. It includes the duration of licences and the fees or the manner of determining the fees, if any are to be paid, and for which licences. It is a very specific and clear bill.

The bill also clearly defines the circumstances by which licences for the operation of sufferance warehouses or duty free shops may be issued, in which way they may be amended or suspended, renewed, cancelled or reinstated: the process of accountability.

Bill C-102 also seeks to provide standards for the operation and maintenance of these facilities, sufferance warehouses or duty free shops, and in particular the manner in which the receipt of goods in these warehouses is acknowledged, the circumstances by which and the extent to which goods may be manipulated, altered, unpacked, changed or combined with other goods to make a new product while in the confinement of sufferance warehouses or duty free shops, in a clearly given constituency. The definition of these confinements is also clearly prescribed by these legislative enactments.

(1215)

This bill and these amendments clearly spell out what are considered designated goods. This clarifies the language and establishes standards for the operation and maintenance of the sufferance warehouses or duty free shops.

Under this bill the framework is laid in which the importer operates his place of business and the respect and manner wherein he maintains his records of operation, his records of imported goods, so that he may be able to make them available to an inspection officer at any given time and answer truthfully to questions in respect of such importations.

The sufferance warehouses and duty free shops are places where imported goods arrive. The manner in which the receipt of these goods is acknowledged, the circumstances and the extent to which these goods may be changed or altered, as I have indicated, is clearly prescribed and defined in this legislation.

These changes should improve efficiency. These changes should reduce the costs of doing business in Canada. These changes allow business, in a very accountable way, to carry on in a very honest and accountable fashion and reduce the red tape for those people who operate legitimate business and manufacturing companies here in Canada.

There is one point that was of great contention in the finance committee. That was a point my colleague talked about for a moment, an evaluation provision. Under proposed section 48 of clause 18, the value for duty is a transaction value of the goods if the goods are sold for export to Canada. The transaction value of goods shall be determined by ascertaining the price paid or

payable for the goods when the goods are sold for export to Canada. We have changed that. The proposed amendment to subsections 45(1) and 48(1) are that we define the purchaser in Canada. The value for duty of goods is the transaction value of those goods if the goods are sold for export to Canada to a purchaser in Canada. Those are the key words, "a purchaser in Canada", and the price paid or payable for those goods can be determined. This is not a change in the process of doing business here. It is simply a clarification.

I will give an example so that members understand more clearly what our Canada customs officials have been practising for the last decade. If, for example, a foreign manufacturer makes a product valued at \$80, that is the price leaving the foreign country. That product may go through several middlemen and maybe there are transaction values added through this process. When the product finally arrives to the Canadian purchaser, its value may be \$100. Therefore, which is the value for tariff, the \$80 at the foreign country doorstep where it left the foreign country, or the \$100 when it arrives at the Canadian doorstep? This amendment clarifies very clearly that the value provision in this amendment is the \$100 value, or the value to the purchaser in Canada.

I took a moment to make that clarification because this is not a new change. This is simply a clarification to the existing regulations and the current practices that govern importation of goods in Canada today. It is the practice that has been going on for 10 years. The clearly defined value for duty is the value that has been assigned. I repeat: this value has been used by Canada customs and tariff officials when assigning value for duty for the past decade. All we are doing today in this amendment within this bill is to allow every importer in Canada to know clearly the rules concerning the value of goods as indicated on the invoice to the purchaser in Canada to be sure that he understands this value to which tariffs and duties will be assigned.

(1220)

There will be arguments as there were arguments in the debates in committee that the value for duty should be in fact the \$80 value that was assigned at the foreign country at the time of export before the transactions of the middlemen intervened. However, we felt as a committee that the value when it arrives on the Canadian doorstep is the value after all transactions have been incurred.

Presentations were made to our committee by both the Canadian Importers Association and the Canadian Institute of Chartered Accountants in opposition to this bill, more specifically to this very section, "purchaser in Canada". They said this is a residency requirement; this is new. We argued that it was not new, that it was simply clarification, identifying the purchaser in Canada and that it had been the practice of Customs and Tariffs Canada for the past decade; it was simply clarification

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and we were in compliance, not confrontation, with our world trading partners.

I elaborate on that point because it was very important and a great point of clarification. It sends a message to our businesses in Canada, our manufacturing businesses where we have value added jobs, that here at home we will do our utmost to protect those jobs through good legislation that is acceptable to our global trading partners.

The bill introduces tariff reductions on a broad range of goods used as input into Canadian manufacturing operations, thereby bringing our input tariffs more in line with those of the United States. It does reduce tariffs on many finished goods that are required and requested by Canadian producers.

Part of our red book commitment was to reduce government red tape and streamline government operations so that business in Canada could be more efficient and we could provide manufacturing jobs in a more competitive global economy. That is what Bill C-102 does.

Bill C-102 allows Canadian travellers to bring back to Canada after their absences abroad goods of increased value. This will bring Canadian travellers' exemptions into line with those of our major trading partners and for administrative purposes ease border congestion. We know the majority of those travellers are honest, law-abiding citizens. This bill allows that to occur with more ease and allows us to spend greater time on those who are involved in criminal offences and criminal activities.

This is a positive step forward for Canadian legislation. It is a positive step forward for our Canada-U.S. agreements and our shared border commitments to ensure that activities between these two peaceful countries occur with ease and with the greatest efficiency for both countries.

Other amendments to the customs tariff and the Customs Act contained in this bill are aimed at clarifying the intent of certain legislation or involve changes to make the tariff framework clearer and more predictable for Canadian companies and the importing community. Those are very important words, "more predictable", when one is in business.

I had the experience of being in a manufacturing biological business for some 25 years. I was a co-founder in Nova Scotia of a scientific company, a tremendous challenge of a high tech biological company in a part of the country that is known for its hewers of wood and drawers of water. It was a challenge indeed, but we established that company and were able to provide scientific jobs for young Canadians in Atlantic Canada.

(1225)

I know the value of predictability and stability in regulations on importation of goods into a manufacturing process. It is all part of maintaining jobs, maintaining accountability to employees and maintaining a stable marketplace and economy for all Canadians.

These amendments will afford protection to our manufacturing jobs and enhance our capacity to export, which is what Canada is so well known for. These amendments clean up the wording of the act so that importers in Canada, those who own businesses and Canadians who are travellers, will understand and appreciate the regulations more clearly. The clarification and wording are clearly conforming with our trading partners, not confronting them, as some might suggest.

These are progressive amendments. In an accountable and trustworthy business trading partnership they enhance Canada's credibility in competitive global trade. I am very pleased to hear this morning that all parties of this House will support this legislation.

I am eager. I am very pleased to be on the finance committee and to have heard the arguments on both sides to bring this into the House and let our business community in Canada know that we are progressive.

We are listening. We are reducing the red tape. We are trying to streamline so that business can be competitive, so that we can ensure those Canadian jobs in all regions and make Canada the number one place economically that we are forecast to be in the next couple of years.

Mr. Brent St. Denis (Algoma, Lib.): Mr. Speaker, I greatly enjoyed the member's speech. Based on her experience in the private sector she is extremely qualified to talk about matters that affect small and medium sized business in this country. This also eminently qualifies her to be a member of the finance committee of the House of Commons.

She made reference to the red book. I prefer to call it the well-read book, because so many Canadians have had a chance to be exposed to its contents, to be exposed to the commitments this government made during the 1993 campaign, which when implemented will do the kinds of things this country needs to take its proper place in the world as a trading nation that can, being strong economically, provide jobs for its citizens, especially our young people.

She mentioned her experiences in business with the biotechnology firm in the maritimes. No doubt she has many personal experiences with the red tape that faced her and her colleagues in that business. I wonder if she could share with us from her personal experience the loss of productivity, the loss of human resources, the wasted time that attends the paperwork burden imposed on business in this country. She might say how it will be a liberating thing for business not to have this load weighing down on them.

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Mrs. Brushett: Mr. Speaker, it was in 1972 that I was a co-founder of a company called Dominion Biologicals in Truro, Nova Scotia. We vowed to put our money where our mouth was. It was not a lot of money, but it was almost everything we had at the time. We wanted to build a scientific company because so many of our young people had to leave Atlantic Canada in order to find jobs, particularly in science or research.

(1230)

We were noble in the cause, rather naive, and decided we would take everything we could after some experiences working for giant companies abroad to build this company in Atlantic Canada and to speed up the 25-year process. The company became very successful and went on to be publicly traded on the Toronto Stock Exchange.

We did a lot of research and Canada Customs played a key role in our manufacturing business. We used biological products. We would immunize animals and humans for an immune response reaction and then we would plasmapheres and bleed those humans and animals; this would be our source of raw material.

I do not want to go into every scientific detail of hybridoma production and monoclonal antibody production. This took a lot more research. Canada Customs was always a vital component of our business because we would purchase raw material, human plasma of high antibody content specificity, from countries abroad through the World Health Organization and the United States.

That raw material had to be tested as safe and processed on very tight time lines. As well, in the manufacturing process there are large numbers of people involved and the processing is very time consuming with filtration, refrigeration, sterilization and protocols of world health standards and the National Institute of Health Standards of Bethesda, Maryland. Everything is on a very tight schedule because cultures must be produced and searched for contamination.

A product must come through from Canada Customs in a time frame assigned by the manufacturer because we would have a time line by which to export the product to the Austrian or German Red Cross, to world health organizations or to sell the product to hospitals in Canada. Our products were all marketed to hospitals or Red Cross health centres for in vitro diagnostic testing.

In my previous life I spent a lot of time dealing with Canada customs and tariffs, a lot of time processing paperwork and knowing the tariff item number so that a product could come in. At the same time a relationship of trust was built. They knew the products being imported and to what company they were going. A one on one relationship was established. This bill will do nothing but enhance those relationships. It will be a tremendous asset.

They know you are a bona fide manufacturer. They know your integrity, reliability and honesty in the workplace. They know you have a place of business where people work and that you pay your fair share of taxes and your books and records can be inspected at any time.

When they know their clientele and the transactions of goods, what they are and what they are being used for, the bill enhances that relationship. It speeds up the relationship and allows the manufacturer to get on with the process as quickly as possible so the goods can go out the door for sale either domestically or in foreign countries.

That is part of the credibility, the stability of being a manufacturer in Canada. It is part of selling goods. Manufacturers need to be accountable and reliable and able to be competitive in the global marketplace with a quality product that meets the time line because it is no good if there has been a disaster and it is two days late.

It is critical to have these relationships with Canada Customs and with legitimate manufacturers in Canada. It is a vital component to have efficient regulations through which goods can move as quickly as possible, particularly the goods of which I speak because they are perishable. A small bottle of serum going to the Red Cross in Canada or to Europe might be worth \$50,000. It is breakable and perishable if exposed to high temperatures or extreme cooling.

(1235)

The whole process of efficiency in high technology is key to doing business in Canada. I can speak firsthand of this from the Atlantic where we are a little more remote from some of the high tech centres. It can do nothing but enhance business here at home and maintain jobs particularly in the manufacturing sector. That is where the value added jobs are.

It is very easy to call yourself an importer and have a fax machine in a small cubby hole in the wall somewhere. When you input something it goes through your fax machine and goes offshore somewhere or wherever, but it does not do much to add value to jobs here in Canada. That is an easy thing to do. We see more of this all the time as the global trading community becomes smaller. People are moving things but simply with a fax machine, a telephone and maybe a warehouse.

There are manufacturers, with hundreds of people coming to work in the morning, that know the value of using Canada customs and tariffs. I can speak strongly of another manufacturer in my hometown of Truro, Stanfield's woolen mills. It employs 800 people. It is a true manufacturer. It brings in sheep's wool. The wool is carded. It is then woven into yarn on spinning wheels. From the yarn it is then woven into fabric. The fabric is then cut and designed according to whether it is a t-shirt, a piece of underwear, whatever piece of garment it might be. It then goes in for stitching and sewing, into piecework.

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To watch the women work on the sewing machines at Stanfield's I believe they could compete with any women in the world in the garment sector. It does my heart good to watch our manufacturing people, to see the jobs created. These are value added jobs and the goods are sold in Canada and exported.

Everyone in the House knows how our exports have risen during this past year. It is a sign we are doing the right thing. This legislation is part of that progressive activity. It is progressive legislation for this government. To see Her Majesty's loyal opposition this morning announce it would support it after four very difficult weeks in the country and to hear the third party say it would support this legislation can do nothing but enhance jobs at home. I am proud to be part of the legislation.

The Acting Speaker (Mr. Kilger): It sounds like Fruit of the Loom is doing well in the hon. member's riding.

[*Translation*]

Mr. Eugène Bellemare (Carleton—Gloucester, Lib.): Mr. Speaker, there are close to 1 million small and medium sized businesses in Canada. Many of them are manufacturers; others are exporters or importers.

To stimulate the economy and promote job creation, the government has considered the demands and needs of small business and introduced Bill C-102, an act to amend the Customs Act and the Customs Tariff and to make related and consequential amendments to other acts.

I am pleased to support this bill. In summary, the bill before us would reduce tariffs on a broad range of goods used as inputs in Canadian manufacturing operations, which would bring our tariffs closer to those of the U.S. It would also reduce tariffs on certain finished goods, as requested by Canadian manufacturers. In addition, this bill would enact changes to streamline and consolidate Canada's duty deferral programs—duty drawback, bonded warehousing and inward processing—and to make them more accessible to all manufacturers. These changes are aimed at making Canadian industry more competitive by reducing input and administrative costs and easing the pressure on business cash flow.

The changes to duty deferral programs will allow the regions to market more effectively the programs competing with U.S. free trade zones in order to bring investors to Canada and keep them here.

[*English*]

This enactment also increases the value of goods travellers can bring back to Canada with them after an absence abroad. This will bring Canadian travellers' exemptions into line with those of our major trading partners and, for administrative

purposes, ease border congestion so that customs is able to focus on smuggling and the growing number of commercial importations. It is also a positive step toward the recently signed Canada-U.S. accord on our shared border.

(1240)

Other amendments to the customs tariff and the Customs Act contained in the bill are aimed at clarifying the intent of certain legislation or involve changes to make the tariff framework clearer and more predictable for Canadian companies and the importing community. These changes should improve efficiency and reduce the cost of doing business in Canada. One change will result in higher tariffs and the withdrawal of the duty free British preferential tariff rate on rubber footwear to protect Canadian production and jobs.

[*Translation*]

The bill would also amend the Access to Information Act in order to protect the confidentiality of information on taxpayers provided by importers pursuant to the Customs Act, the Customs Tariff, and the Special Import Measures Act.

Some of the provisions in Bill C-102 result from the government's review of Canada's tariff system, as announced in the 1994 budget. Their purpose is to ensure that Canada remains a good place for producing goods and that Canadian investors and businesses, including small businesses, are in a better position to benefit from the free trade agreements between Canada and other countries.

Some changes such as the improvement of duty deferral programs and the reduction of tariffs on manufacturing inputs are designed to lower the cost of inputs for business and to maintain and increase the competitiveness of Canadian business on domestic and international markets.

Bill C-102 contains some technical changes to simplify, clarify and update the Customs Tariff and its administration and to make tariff reduction programs more accessible to, and cheaper for, business.

The changes to facilitate the processing of travellers at border crossings will allow Revenue Canada, Customs to focus on other important border issues such as smuggling and the need to process an increasing volume of Canadian imports.

Many of the amendments in Bill C-102 were made following consultations with business and meet their demand for help in facing the competition.

[*English*]

The measures adopted in the bill will provide \$60 million in import tariff relief to Canadian manufacturers to level the playing field with NAFTA trading partners in tariff reductions.

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They will position Canadian businesses with the duty deferral program to more easily attract investment and compete in expanding world markets with a minimum of custom overhead. They will provide opportunities for provincial and municipal governments to enrich the duty deferral program with local incentives.

They will improve service to travellers through the simplification of customs procedures and allow customs to focus on smuggling and commercial importations.

[Translation]

In the current economic context and given the value of the Canadian dollar at this time, we have here a tremendous opportunity to encourage our industries, our small and medium sized businesses, and our Canadian as workers and consumers. Everyone would benefit from this bill and I am pleased to see that on this day, the day after the referendum, all the parties sitting in this House support this bill.

This bill will benefit all Canadians, including small businesses and manufacturers in my riding of Carleton—Gloucester, and I commend all those who worked on it in committee. I will gladly vote in favour of this bill.

(1245)

[English]

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

(Motion agreed to, bill read the third time and passed.)

* * *

EXCISE TAX ACT

The House proceeded to the consideration of Bill C-103, an act to amend the Excise Tax Act and the Income Tax Act, as reported (with amendment) from the committee.

SPEAKER'S RULING

The Acting Speaker (Mr. Kilger): Colleagues, I would like to make you aware of a ruling by Mr. Speaker on Bill C-103, an act to amend the Excise Tax Act and the Income Tax Act.

There are four motions in amendment standing on the Notice Paper for the report stage of Bill C-103, an act to amend the Excise Tax Act and the Income Tax Act.

Motions Nos. 1 and 2 will be grouped for debate. A vote on Motion No. 1 applies to Motion No. 2.

[Translation]

Motion No. 3 will be debated and voted on separately.

[English]

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

MOTIONS IN AMENDMENT

Mr. Monte Solberg (Medicine Hat, Ref.) moved:

Motion No. 1

That Bill C-103, in Clause 1, be amended by deleting lines 33 to 36, on page 2.

Motion No. 2

That Bill C-103, in Clause 1, be amended by deleting lines 30 to 42, on page 5.

He said: Mr. Speaker, the reason I have moved these motions to amend the legislation is that I am concerned that our government is placing an impediment in the way of Canadian magazines. I am very concerned that by doing this it is jeopardizing the future of Canadian magazines.

For people who are not familiar with what exactly this bill is about, I will provide some background. Bill C-103 is legislation that would retroactively apply most specifically to *Sports Illustrated* magazine. It would prevent the use of split run technology to publish their magazine in Canada and also pursue Canadian advertisers. I will address that whole issue in a moment.

This clause does not permit Canadian magazines which have circulations in the United States that are less than what they have in Canada to use split run technology to get back into their own market. By introducing this clause, the government is effectively blocking the way for the expansion of Canadian magazines which does not make any sense.

This weekend I was at the Canadian Association of Broadcasters meeting in Ottawa. As a former broadcaster I thought I had a pretty good handle of what was going on with broadcasters. However I was quite surprised to find out that some Canadian broadcasters have extended far out into the rest of the world. In doing so they have not only strengthened their balance sheet and profit picture, they have also provided tremendous opportunities for Canadian actors, writers and producers. As an example, I found out that Power Corp. out of Quebec is the largest broadcaster in Europe. I was surprised by that.

(1250)

That tells us something about what we should be doing if we really want to give Canadian cultural industries a leg up on the competition. We should not be looking inward, becoming insular, engaging in navel gazing and putting up protectionist walls. We should be putting in place legislation that encourages free trade, that gives businesses the incentive to go out and compete in the world by getting into Europe as Power Corp. has done. It has provided all kinds of jobs for Canadian actors, writers,

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producers and all kinds of other people involved in the Canadian cultural community. That is the right approach.

The same applies to CanWest Global which is involved in New Zealand and in Australia. The company I used to work for now has a MuchMusic type operation in Argentina which is doing very well.

The point is that what applies to broadcasting applies to the magazine industry. At the end of the day the cream rises to the top. Ultimately consumers get the best products. They get the most choice at the cheapest possible price.

I fail to understand why we are putting in legislation that impedes the ability of Canadian magazines to not only compete in the world market but even in their domestic market against all the American and foreign magazines which are coming into Canada. It is ridiculous to have a situation where if you want to establish an operation in New York in addition to the one you have in Canada you will not be allowed to use split run technology to get back into your own country. That is crazy. It makes absolutely no sense.

Our amendment is designed to get rid of that clause. Canadian magazines would then have an incentive and the government would not be standing in their way penalizing them for trying to expand and provide jobs for Canadians and to ensure that Canadian culture and the Canadian cultural industries, particularly the magazine industry, are strengthened in this country. Why in the world are we doing this? It makes absolutely no sense.

I am not going to belabour this. There are several motions before us and I will not talk for a long time on all of them. However, I really do feel that although the whole principle behind this legislation is flawed, this clause in particular needs to be addressed and this motion would be the ticket to do it.

[*Translation*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, we are here today to consider four amendments to Bill C-103. This bill contains major amendments to the Excise Tax and the Income Tax Act in areas that will benefit Canadian periodical publishers.

It has been a longstanding policy in Canada to channel Canadian advertising revenues into Canadian periodicals. The Canadian magazine industry actually depends on these revenues, as they represent 65 per cent of total revenues. More than 30 years ago, in 1961, the Royal Commission on Publications, commonly referred to as the O'Leary commission, looked into the situation of the Canadian magazine industry.

After a comprehensive review, the commission recommended that steps be taken to increase the flow of advertising revenues toward the Canadian magazine industry to give this industry a sound financial footing.

(1255)

As a result, two legislative provisions were enacted in 1965: (i) section 19 of the Income Tax Act, limiting income tax deductions for advertisements directed at the Canadian market to advertisements bought in Canadian periodicals, and (ii) Code 9958 of the Customs Tariff, which prohibits the import into Canada of split-run editions or special editions of periodicals whose content is substantially the same as the content of the original edition, except for publicity specifically tailored to a Canadian market.

[*English*]

Over the past 30 years, section 19 of the Income Tax Act and tariff code 9958 have been successful in supporting the government's policy objective of encouraging Canadian advertising revenues to be directed to Canadian magazines. These two policy instruments have allowed the Canadian magazine industry to expand and to prosper.

However, a potential threat to the Canadian magazine industry arose in January 1993 when Time Warner announced its intention to publish *Sports Illustrated Canada*, a Canadian split run edition of the U.S. magazine *Sports Illustrated*. It would be printed in Canada using editorial content electronically transmitted from the U.S. Since *Sports Illustrated Canada* would not involve the physical importation of split run magazines in Canada, tariff code 9958 would not apply.

Time Warner's initiative demonstrated that there was a loophole in tariff code 9958 and a need to update Canada's magazine policy. As a result, in March 1993 the Government of Canada established a task force on the Canadian magazine industry. The task force was asked to examine existing policy instruments and to propose new measures which would ensure the continued effectiveness of federal policy in support of the Canadian magazine industry.

In its final report, the task force presented 11 recommendations to the government, two of which are addressed in Bill C-103: an excise tax on split run editions of periodicals distributed in Canada; and an anti-avoidance rule relating to the deductibility of advertising expenses in non-Canadian newspapers and periodicals.

The proposed excise tax will be levied on split run editions on a per issue basis at a rate of 80 per cent of the amount charged for all advertising appearing in the issue. Without this measure, the task force noted that new split run editions would likely enter the Canadian market and the Canadian periodical industry would risk losing up to 40 per cent of its advertising revenues over a five-year period.

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The proposed amendments to the Income Tax Act will add an anti-avoidance rule to section 19 of the act. This will ensure that newspapers and periodicals which claim to be Canadian are in fact Canadian controlled for the purposes of the act.

The proposed amendments to the Excise Tax Act and the Income Tax Act update our policy instruments in support of the Canadian magazine industry. They maintain the government's longstanding policy respecting Canadian magazines and underscore the federal commitment to support the continuing existence of a viable and original Canadian magazine industry. I wanted to put that before the House to give a context to the amendments which are being discussed.

I would like to take this opportunity to thank the hon. member for Medicine Hat for his participation in the finance committee deliberations. He is not normally a critic in the finance area, but rather in the heritage field. However, this bill went to the finance committee because it affects legislation which is under the jurisdiction of the Minister of Finance. His participation was greatly welcomed and contributed to the questioning of witnesses and our general deliberations.

(1300)

I will now deal with the first two amendments presented by the member that are grouped together. In Motion No. 1 I would delete the definition of excluded edition. An excluded edition is defined as an edition primarily distributed outside Canada. This is a key concept that appears in several provisions of the bill. If the motion were adopted, a periodical edition distributed in Canada could be a split run edition if its editorial content is more than 20 per cent the same as that of another edition primarily distributed in Canada.

Thus the motion would result in regional editions of Canadian magazines being subject to the split run tax, even though at least 80 per cent of their editorial content is original to the Canadian market. This would be contrary to the government's stated policy objective for the Canadian magazine industry. It would also be inconsistent with the vote of the House to adopt a ways and means motion and the approval in principle given to the bill by the House at second reading.

The purpose of the bill is to encourage publishers to include at least 80 per cent original editorial content in magazines containing advertisements directed at Canadians. However, provided that a magazine satisfies this editorial content objective there is no intention to discourage the publisher from publishing regional Canadian advertising editions of the magazine. For that reason the government will have to reject the motion.

The second motion would eliminate exceptions that would exempt certain types of publications from being subject to the tax on split run editions. The first exemption specifies the tax will not apply to an edition primarily distributed outside Canada even though it has some circulation in Canada. This exception

would allow regional editions of foreign magazines to continue to be distributed in Canada provided that the editions are primarily distributed outside Canada.

The second exception would allow a publisher of a foreign magazine to distribute in Canada an edition that contains some but not all the ads that appear in one of the editions distributed in a magazine's home country provided that the edition distributed in Canada does not contain any new ads.

These two exceptions are intended to allow foreign magazine editions to continue to be distributed in Canada without being subject to the split run tax provided that they do not contain ads primarily directed at Canadians. By deleting these exceptions the proposed motion would extend the scope of the split run tax to magazine editions not intended to be subject to the tax.

Thus the motion is inconsistent with the vote of the House to adopt the ways and means motion and the approval in principle given the bill by the House at second reading. For this reason the government will reject the motion.

Mr. Hugh Hanrahan (Edmonton—Strathcona, Ref.): Mr. Speaker, it gives me great pleasure to rise today to discuss report stage of Bill C-103, an act to amend the Excise Act and the Income Tax Act.

I will spend the majority of my time today discussing Reform amendments that have been put forward to alleviate some of the serious problems or flaws that have worked their way into the bill.

As I stated during second reading, Bill C-103 will impose an excise tax in respect to split run editions of periodicals. The tax will be implemented at the rate of 80 per cent of the value of all advertisements contained within the split run edition. The split run editions are essentially periodicals distributed in Canada. More than 20 per cent of their editorial material is the same or substantially the same as the editorial material that appears in one or more periodical edition distributed primarily outside Canada and they contain advertisements that differ from country to country. Reform's amendments lie at the heart of this issue.

(1305)

It is all too clear the issue of a split run edition of foreign magazines is one of predatory pricing or dumping its product on the Canadian market at unreasonably low prices as it means a siphoning off of Canadian advertising. If this is happening then punitive measures should be applied against the violators.

The ultimate question is whether publications such as *Sports Illustrated* are in fact dumping and in so doing bleeding the Canadian periodical advertising market dry. To effectively determine if split run periodicals dump their product on the Canadian market, we should examine the fees charged for advertising and compare them to a competitor or another publication with similar numbers or readership.

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I will use readership as a quantitative measure in comparing *Sports Illustrated* with two other magazines simply because the same value was selected by the Canadian Magazine Publishers Association for comparing costs of advertising between publications. *Sports Illustrated* Canada has a readership of just over 650,000 compared with *Equinox* which has a readership of 783,000 and *Outdoor Canada* which has a readership of 621,000. The readership numbers are relatively close for those who read the three magazines and are relatively the same cross section of the populace.

Specifically *Sports Illustrated* charges \$5,800 for a standard, full four-colour page advertisement, while *Outdoor Canada* and *Equinox* charge \$4,300 and \$5,500 respectively for the same standard, full four-page edition. Therefore it would seem logical that if *Sports Illustrated* is dumping the amount it charges, advertisers' costs should not only be lower but significantly lower. This, however, is not the case. It appears the opposite is true since *Sports Illustrated* charged more than the other two magazines for advertising space.

Even if we look at the unit costs per 1,000 copies for the same three publications after taxes, *Sports Illustrated* has a higher unit cost per thousand than the other two. Again, if *Sports Illustrated* were dumping, these costs would be significantly lower and not higher. This evidence has been seemingly overlooked or ignored by the Liberal government.

Further evidence is based on a 1983 study that the 10 most popular United States magazines in Canada commanded a collective circulation of approximately 2.8 million. Over the last 10 years the names of the magazines have changed yet the most popular U.S. magazines in Canada today have 25 per cent less circulation than their counterparts a decade ago.

Interesting enough at the same time the top 10 Canadian magazines have increased their collective circulation by almost 15 per cent. It appears that Canadian magazines are winning the battle for readers. This is happening not because of government intervention but because of the quality of articles in the magazines.

If we look at the amount of revenue generated for split run editions through advertisement, the lion's share is remaining in the hands of Canadian based magazines. Last year *Sports Illustrated* had six split runs that brought in ad revenues of slightly more than \$1 million, which is minuscule compared to the \$867 million in the Canadian magazine industry as a whole.

A final note on this issue is that Canadian magazine publishers admitted to the Standing Committee on Finance that advertising revenues in the Canadian magazine industry have increased 4 per cent over the last year despite the alleged dumping and predatory pricing of *Sports Illustrated* Canada that were supposed to have taken place during this time.

(1310)

Moreover, the Canadian Magazine Publishers Association agreed there was no Canadian magazine in direct competition with *Sports Illustrated* Canada in its unique market niche for its readers. Even if there were, the Canadian competitor would survive not because of an end to split runs of a competitor but because Canadians wanted to read it and because it was quality material. In other words it would stand on its own merits. Advertisers would be attracted to certain publications for their readership and because they were Canadian or American.

The complaints of Canadian publishers are based on a much simpler concept than predatory pricing called economies of scale. To say therefore that economies of scale inevitably doom Canadian culture is to say that domestic and foreign cultural products compete strictly on price, that is Canadians do not distinguish between them on any other basis.

If there is one truth among nationalists it is that the two are not perfect substitutes. Canadian tastes are distinct and therefore indigenous production fills a need that foreign art cannot meet, in which case Canadians would be willing to pay a premium for the product. If we are not very different from the Americans, the advantage of economies of scale should be just as open to us as to them. A perfect example of this would be *Hockey News*, a Canadian publication running split run editions in the United States.

Should clauses 1 and 2 not be amended as we have put forward, future Canadian publications would be prevented from expanding into the United States. Not only does the bill impede the flow of imports, it also takes away any incentive for Canadian publications to grow, to expand and to take full advantage of the U.S. market. That is shameful. For this reason Motions Nos. 1 and 2 should be passed.

Bill C-103 implements a retroactive grandfathering clause as well. Clause 1 on page 6 dealing with section 39 clearly illustrates the meanspirited nature of the government in that it sets the exemption date for the legislation approximately one week before *Sports Illustrated* started running its northern edition. The bill therefore aims directly at disqualifying only them. This is grossly unfair and our amendment will remedy the situation by changing the enforcement date of the legislation to the day after the act is assented to.

We on this side of the House oppose the bill for the following reasons. First, Reformers do not support the notion that state sanctioned cultural protectionism is a good policy to implement. Second, Bill C-103 conjures up the view that Canadian magazines are not of sufficient quality or merit to compete with foreign counterparts. We on this side of the House know this is 100 per cent false. Canadians are among the best in the world. We compete through our talent and our products, not through government sanctioned protectionism.

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It is clear therefore that the Reform Party cannot support the legislation without our amendments being passed. Bill C-103 represents the worst of giving special interest groups an advantage at the expense of all taxpayers who will now pay a higher price for many magazines they choose to buy.

On behalf of my constituents in Edmonton—Strathcona I thank the Liberal government for taking even more money out of their pockets.

(1315)

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I rise to join in the report stage debate of Bill C-103 and to stand in support of those members on this side of the House who were speaking to this bill.

I want to begin by giving a bit of my background as an educator and as someone who has enjoyed and is very concerned about the Canadian magazine industry. A task force on this industry was established in March 1993 with a mandate to recommend the update of existing policy instruments and to propose new measures in support of the Canadian magazine industry, which so many of us have enjoyed and are enjoying.

Since 1965 there have been two legislative measures in place to support the Canadian magazine industry: the Income Tax Act section 19 and the customs tariff code. The objective of both of those measures was to ensure an adequate flow of advertising revenues to support a vibrant Canadian periodical industry. These instruments of public policy have in large part been successful. However, technological developments in an increasingly global trading environment have meant those two measures which have been in place for almost 30 years are no longer completely adequate to meet the policy objective for which they were designed.

The first thing the task force had to do was learn about the industry. I would like to take this opportunity to give some background on the industry to put this bill in perspective to see whether the Reformers would appreciate some of the aspects of the bill that we are supporting on this side of the House.

The task force commissioned two reports. The first was prepared by Informetrica Ltd. and examined the economic environment within which the Canadian magazine industry operates. The second, prepared by Lee Anderson of Carleton University, analysed the Canadian advertising market with particular reference to the Canadian magazine industry. The Informetrica study provided some basic information on the economics of periodical publishing, its products, markets and cost structure.

In 1991-92 the Canadian industry produced 1,440 magazines, with revenues totalling more than \$846 million. The Canadian magazine industry is one of the most important media pipelines between the generators of Canadian information, ideas and views and the Canadian public.

In 1990 more families participated in buying magazines, both Canadian and foreign, than any other cultural activity except perhaps the buying of newspapers. Compared to 1978, the percentage of households buying magazines increased by 10 per cent to an average of 69.8 per cent.

The domestic market is measured by Statistics Canada. Statistics Canada estimates that there are more than three million subscriptions to U.S. periodicals not included in the trade data. In 1991 Statistics Canada information presents one view of the size of the market and the Canadian magazine publishers' share of that market. Using these measures, Canadian publishers account for 54.8 per cent of the total domestic market.

(1320)

One area of difficulty, is that subscriptions ordered by Canadians directly from the U.S. and mailed from the U.S. to Canadians are not counted by any of the existing statistical systems. The value of magazines imported is the value at the border with no real measure of the advertising contained therein. Therefore, with adjustments an alternative measure based on circulation revenue suggests a Canadian publishers' share of about 25.5 per cent of the domestic market.

Although editorially rich and diverse, the Canadian industry is not on strong economic footing. We do not have to go very far from the House to recognize this. The 1991 statistics show that more than half of Canadian magazines had no operating profit. The average operating profit for the industry as a whole was only 2.4 per cent. In any business that is really not good.

Despite the strength of our mix of editorial content and diversity and the size and profitability of Canadian magazines they are still very much limited in terms of their potential for revenue. The issue here is one of relative market size and economies of scale.

Magazines have two clients, the reader and the advertiser. The building blocks of a magazine are circulation, editorial content and advertising. The larger a periodical circulation the more advertising it can attract. The greater a magazine's advertising revenue the more it can afford to spend on editorial content, which in turn makes the magazine more attractive to consumers and increases its circulation. Circulation is crucial to advertisers and therefore crucial to a magazine's advertising revenue.

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The Informetrica study reported that circulation revenue accounted for \$245 million or 29 per cent of the total revenue of Canadian magazines in 1991 and 1992. Magazines can be circulated on news stands or through subscriptions. For Canadian magazines, approximately 10 per cent of English language and 27 per cent of French-language magazines are sold on news stands. By contrast, 89.3 per cent of all imported consumer magazines are destined for news stands. That is not to suggest that the government or the domestic magazine industry are interested in restricting the access of foreign magazines to our news stands. These statistics are merely presented to demonstrate the competition Canadian magazines are up against on news stands.

Subscriptions are the main source of circulation revenue for most Canadian magazines. A large subscription base provides a publisher with stability, helps in scheduling production units and is particularly important for cash flow since most subscriptions are paid in advance or early in the subscription period. I am sure that most of us who have subscribed to magazines know that we hear from the magazine far in advance of the expiry date of the subscription.

Advertising revenue is a lifeline of the Canadian magazine industry and is crucial to the survival of Canadian magazines in an indigenous Canadian magazine industry. Sixty-five per cent of all revenue of Canadian magazines is derived from advertising. An adequate advertising revenue base is essential to the economic foundation of periodical publishing in Canada.

Without a healthy Canadian magazine industry Canada's policy objective of ensuring that Canadians have access to Canadian ideas and information through Canadian periodicals cannot be met. Policy instruments that have been in place since 1965 are designed to achieve that purpose. Encouraging magazine advertisers to reach Canadian consumers through Canadian magazines and periodicals is as important today as it was 30 years ago.

The advertising study commissioned by the task force showed that magazines have experienced more annual declines in advertising dollars than any other medium in Canada. Television's rise as an advertising medium over the 30-year period is perhaps the most significant trend behind the declining share of magazine advertising revenues.

(1325)

Magazines tend to be disproportionately affected in economic downturns through drops in circulation. Whereas people will continue to watch TV, they would cancel their magazine subscriptions to save money and have cash flow. That affects the entire industry.

The bottom line is that the amount of money spent by advertisers to reach the Canadian consumer is not likely to grow. Therefore, within the Canadian advertising market it is extremely unlikely that the share held by periodicals will increase.

The two studies that were commissioned demonstrate very clearly the precarious situation the Canadian magazine industry finds itself in. This is a point I want to underscore, the precarious situation the Canadian magazine industry finds itself in. It must compete in a market that is dominated by imported magazines and it must compete for advertising revenues.

The consequence for the Canadian magazine industry and thus for Canadian cultural development will be very serious if we do not take the necessary steps to maintain the structural support necessary to continue to meet the government's long-standing policy objective for Canadian magazines of ensuring they have adequate access to advertising revenues.

The measures in Bill C-103 are designed to support the Canadian magazine industry so that it can conduct business and be competitive. It is simply an extension of Canada's long-standing policy against split runs. The measures strive to plug a loophole in the tariff item so the exploitation by *Sports Illustrated* Canada over the last two years can be dealt with. However, *Sports Illustrated* Canada got around the measures by electronically beaming the magazine to a Canadian printing plant.

I know members across the way are speaking in support of *Sports Illustrated*. I want to make clear these measures in the present bill are in no way designed to limit Canadian access to foreign publications. Canadians will still be free to read whatever they want, including an imported edition of *Sports Illustrated*. Our borders remain open to the millions of copies of American magazines that are bought here each year. The best way to support the Canadian magazine industry is to adopt measures that will encourage original content regardless of the country of origin.

We do not want a kind of recycled editorial material that is commonly dumped in split runs. We must continue to find ways—

The Acting Speaker (Mr. Kilger): I hesitate to interrupt the hon. member. I have been as generous as I could. Short of the member asking for unanimous consent to conclude her remarks, I would have to resume debate.

Perhaps the hon. member could mention to the House how much longer it would take to conclude her remarks.

Ms. Augustine: Mr. Speaker, I was right at the very end.

We must continue to find ways to maintain a place for the rich tapestry of ideas and information we now have in Canadian periodicals. To that end, I urge the House to promptly pass this legislation.

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Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I am happy to rise today to support the motions of amendment put forward by my colleague for Medicine Hat. First, I do that, I would like to take a moment to speak about Bill C-103 which is the basis for these amendments in the first place.

What we have here is a form of cultural protectionism. It is protectionism for an industry that I do not think really wants it or needs it. This government seems to assume this industry cannot stand on its own two feet, that it does not have a quality product which can be sold throughout the world on the basis of that quality. I really disagree.

(1330)

I wonder what has happened to the Liberal government. At the same time those members have been talking about trade liberalization, bringing in NAFTA, the GATT agreement, they seem to be moving in the opposite direction in the area of culture.

In this area specifically we are talking about split runs for the magazine industry. What they do not realize is that Canadian magazines also use this technology very effectively. We have an industry in Canada competing in the international market and we can do it without government help. Those Canadian magazines will get sideswiped in this whole process.

This goes against the whole grain of free trade, of trade liberalization. Canada does not want to set this example. We want to set an example that we are free traders, that we can compete on the basis of quality.

The question of whether this is actually a dumping issue was raised by my colleague earlier. If this is a dumping issue, that the Americans are dumping cultural property into Canada, it should be addressed as such. We have a basis for discussing that with a NAFTA trade dispute panel. Why does it not go there instead of taking this round about way of hitting them with an excise tax?

We have to simply move away from this whole idea that we cannot compete unless we have government subsidies. Our cultural industries are actually being adversely affected by our assuming that and we have to get on with the process of competing on the basis of quality.

I want to talk to the first and second amendments proposed by my colleague. The first amendment deletes the term "excluded edition" from the bill. An excluded edition is an issue of a periodical that has less circulation in Canada than outside Canada. The second amendment deletes references to split end editions.

The purpose of these two amendments is to ensure the Canadian magazines we talked about earlier, which circulate in the United States and do split end runs, do not end up paying excise taxes in Canada in their attempt to penetrate the American market.

They are being penalized by an attempt to exercise cultural protectionism. The whole purpose of liberalizing trade between Canada and the United States is to allow goods and services which are superior and which are in demand to find a much larger market. We defeat that purpose of free trade by taxing Canadian periodicals which have a chance to stand, to make it at home and abroad.

Canadian periodicals should be free to export our good ideas and our great culture to the United States. They stand a better chance if they can do so by using the split end run technology on their editions abroad and not be penalized here at home. Presently there are two Canadian magazines, *Harrowsmith* and *The Hockey News*, which will be caught in the net of the bill.

Amendments Nos. 1 and 2 by my colleague ensure these and other Canadian magazines are excluded from the bill's provisions. I would like to see our amendments passed this afternoon.

Mr. John Godfrey (Don Valley West, Lib.): Mr. Speaker, I will address some of the arguments put to us this afternoon by members of the Reform Party.

I will limit my remarks essentially to four arguments. The first made by the member for Medicine Hat is an economic argument about market choice. It is an interesting theory about the ability of consumers to know their own needs best. It is a very alluring theory but there are flaws with that theory which I hope to point out.

The second argument is that of the member for Edmonton Strathcona on the apparently arbitrary nature of Bill C-103 with regard to its targeting *Sports Illustrated*, its split run and the timing of the proposal.

The third argument deals with the whole notion of state sanctioned cultural protection, alluded to by the members for Edmonton Strathcona and Peace River. The final argument deals with the whole notion of whether we can compete without this kind of government subsidy, an argument made by the member for Peace River. Let us review those arguments in order.

(1335)

How does the world actually work? The world actually works in economic theory and in economic practice in two different ways. We have what could be described by any economist as imperfect market conditions in many of our relationships with the United States.

This is particularly true when, because of the market size and dominance in the cultural industries, there is a virtual monopoly condition which unless counterbalanced would essentially wipe out Canadian culture. It is true not only of magazine publishing but equally of broadcasting, movie distribution, popular music and many other cultural areas.

Our experience in this country is a sad one going back to the days of radio in the 1920s and 1930s when we discovered there was simply no place for a Canadian voice unless we created it, unless we legislated some protection, some place for Canadian voices to be heard, which led to the creation of the Canadian Broadcasting Corporation.

We noted in a later era that in popular music Canadian voices could not be heard unless there was some place they would be protected initially so they could form a critical mass and then become competitive. We have noted in film distribution there is still no place for Canadian voices because of the enormous market power of the American distribution systems. We have noted it in magazine distribution where a 1961 market share of 25 per cent of publications available in this country has declined to 21 per cent. With the introduction of various measures designed to prevent this kind of dumping Canadian magazines started to increase in their number and in their proportion of the marketplace.

In other words, we are talking about public policy that actually has a track record of working, public policy that has worked in broadcasting with the Canadian Broadcasting Corporation, public policy that has created a vibrant successful popular music business which can now compete successfully in the United States and public policy that has supported a vibrant Canadian magazine industry. Public policy works.

The argument has been put on the second point that this is grossly unfair to *Sports Illustrated*, a magazine that deliberately tried to violate the spirit of the law against this kind of dumping by trying a technological device not available at the time of *Time* magazine or *Reader's Digest* when we had to deal with this problem previously. It was a deliberately provocative act which demanded a deliberate, measured and firm response, which is what this is about. The spirit of the law is quite clear and it has been violated by *Sports Illustrated*.

The third argument has to do with the notion of state sponsored cultural protection. It is very interesting that we are not the only country to try to protect our cultural industries. It is also clear the United States does exactly the same thing. It is not possible for a foreigner to own a television station in the United States. The foreigner has to change nationality. We might argue that is a form of cultural protection. The Americans put it in a different way. They see that as a matter of national security so if ever they had to clear the air waves, a station would not be owned by some nefarious Canadian who would stop them. It is a form of cultural protection under the guise of national security.

The Americans do all sorts of things in this area. They do not allow foreigners to own significant amounts of the merchant marine because it might be required for national security. Surely if we chose to do so in this country we could simply redefine what we are on about here as our form of national security, our

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national cultural security. We also have something at stake here but we do not fight so much with arms as we do with our culture.

[*Translation*]

I think that, for all Canadians in whatever cultural or social group, our culture is nonetheless worth fighting for, since this culture, whether expressed in French or in English, represents us.

I think that we will also benefit from the European model, which reflects similar concerns with respect to culture. Our French counterparts have done the exact same thing, taking action for instance against the distribution of American movies and television programs. The problem is the same, it has to do with who they are.

That is what this is all about and why we are entering into a kind of alliance with the French and the Europeans on culture, in spite of American provocation if I may say so.

(1340)

The Americans look upon us as a kind of Trojan horse. And if they cannot prevent us from taking such action, they will not be able to do so, even with the Europeans.

[*English*]

I suppose the argument, particularly by the member for Peace River, is whether we can compete without a government subsidy. The answer to that is quite clear. We cannot compete in an unfair market in which superior economic power is evidenced by dumping. The product coming across the border in the form of the split run by *Sports Illustrated* has been légèrement canadienisé. It is not a true Canadian product. It violates all of the agreements we put in place when we dealt with *Reader's Digest* and *Time* magazine. It was designed to do that deliberately. We have to take deliberate action against it.

As for being a subsidy, it is not a subsidy. It is simply a provision of the Income Tax Act which does not allow *Sports Illustrated* to have favoured treatment because they have come up with a clever technological trick.

For all these reasons I reject the arguments of the members of the Reform Party and urge the House to support this measure.

[*Translation*]

Mr. Bill Graham (Rosedale, Lib.): Mr. Speaker, I am pleased to address Bill C-103. Before discussing the content of this proposed legislation, I want to say a few words about culture and the importance of the Canadian culture.

Canadian culture includes a vast array of things. Ultimately, it is the essence and the reflection of who we are as individuals and as a nation. It reflects the way Canadians see each other, as well as the way they perceive the world. Our culture and our life as a people are inextricably intertwined. Cultural events, which are a reflection of ourselves, show the result of our creative voices and energies.

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Culture is a complex notion. It includes the knowledge, beliefs, arts, moral values, laws, customs, as well as all the other skills and customs developed by the members of a society. Culture does not only refer to art. It includes the periodicals and books that we read, the records and the programs that we listen to. Canadians are avid consumers of cultural products.

Unfortunately, the majority of these products are of foreign origin. I say unfortunately because I wonder, as a member of this Parliament and of our Canadian society, how we are going to pass on our values and principles to our children and to our fellow citizens, if we have no control over publications, at least over a large number of publications, including cultural ones, in our community.

In this era of mass communications, our industries, including the film, book, periodical, radio, television and recording industries, must face an enormous challenge. Not only must Canadian producers assume the very high costs and risks inherent in a small market, they must also compete with foreign products which are generally cheaper and which have free access to our markets. If our cultural industries are not relatively sound from a financial point of view, our cultural development will suffer and we will no longer be heard. This is precisely what this bill seeks to avoid.

These reasons explain why Canada's cultural development deserves the full attention of public authorities, and particularly that of the members of this Parliament. As the hon. member for Don Valley West pointed out, every state takes similar measures. He mentioned Europe and France. Europeans have what they call "cultural exceptions" to protect, through rules of European content, their cultural institutions.

(1345)

And remarkably, as my colleague for Don Valley West pointed out, the Americans are precisely the ones who generally treat questions of culture and cultural exports as purely commercial products. They also have the necessary means to protect American culture, American communications, American films and so on.

It seems to me, therefore, that the member for Peace River has somewhat oversimplified the issue. Yes, we live in a world of free trade. That is true, but we must never forget that our American competitors are experts in transforming free trade principles into elements of protection when it suits them to.

[*English*]

I have a friend in the United States who uses a wonderful expression. He has often said that as far as his people are concerned, free trade ranks somewhere between Christianity and jogging on a list of things much talked about but little practised.

Another American colleague of mine recently said at a meeting I was at that, as some of us recognize, that achieving free trade is like going to heaven; we all want to go to heaven but not just yet.

[*Translation*]

That is the problem. These are principles easily expressed but, regardless of the country, there are always impediments to prevent culture from being protected. The reason for this is a very significant one: culture is the very essence of a society.

We must be very pleased about what happened yesterday in the province of Quebec. We must all rejoice and I cannot pass up this opportunity to state how thrilled I am with the wise decision the people of Quebec made in yesterday's referendum.

I venture to think that the cultural aspect played a strong role in that decision, because Quebec's contribution to Canadian culture and the Canadian identity is enormous. Quebec makes it possible for the French language to flourish in Ontario and other provinces, and therefore contributes to the preservation and protection of French in North America, thus serving the interests of Quebec and of Quebecers themselves.

Now we can work together in the interests of the French communities, the English speaking communities, the multicultural communities, to preserve this focal point of hope our country represents to the whole world, which is reflected in the culture this bill is attempting to protect for all Canadians within this somewhat limited context.

The Government of Canada has fully assumed its responsibilities in this area. Over the past 35 years, it has put into place a wide range of organizations and programs in support of Canadian culture, to bolster what has been accomplished within the country. The Canadian Broadcasting Corporation, the National Film Board and our national museums and archival institutions, through the Canada Council, distribute grants to artists and cultural organizations across the country.

The government promotes investment in cultural products by granting tax benefits to funding agencies such as Telefilm Canada. It helps Canadian periodicals attract the advertising revenue they need for their survival and facilitates their distribution to a very dispersed readership.

Nevertheless, the problem of very high production and marketing costs still exists. In other industries, sales revenues are usually such that companies are able to break even. Although it has always been difficult for Canadians to finance production of cultural goods from national sales because of the small size of the market, it becomes practically impossible as a result of the advantages enjoyed in Canada by foreign, especially American competitors. This is certainly not to criticize foreign competitors, many of whom enrich our cultural life.

Government Orders

(1350)

The purpose of this legislation is only to highlight the structural and financial obstacles to the distribution of Canadian cultural products. Among our Canadian cultural industries, the one that concerns us particularly today in the context of this bill is the periodical industry.

As was pointed out by the authors of the report of the Royal Commission on Publications in 1961, periodicals “can give us the critical analysis, the informed discourse and dialogue which are indispensable in a sovereign society”.

In the past thirty years, the Canadian periodical industry, both francophone and anglophone, has become more creative and, to some extent, more profitable. Unlike most of our cultural industries, the periodical sector is generally under Canadian control.

In fact, our Canadian periodical industries include more than 1,300 magazines, each with their own characteristics. These periodicals target various groups, use a variety of distribution methods and are regional or national in scope. Their content may be very specialized or very wide-ranging.

The large number and diversity of periodicals published in this country—consumer magazines, business publications and specialized periodicals—reflect the concerns and tastes of Canadians.

All regions as well most large urban centres have their own magazines. There are magazines for almost every field of endeavour: economics, professions and trades, arts and letters, science, religion, recreation, and so forth.

The relative success of this industry is largely due to government measures aimed at giving Canadian periodicals access to advertising markets and the public. Although their editorial content is rich and varied, the state of Canadian periodicals is precarious. In 1991, more than half failed to make a profit.

The Canadian market is more limited and is also shared by two main language groups. Canadian magazines will never have more than a fraction of the circulation of what are mainly American magazines. Circulation revenues of Canadian magazines will tend to remain below those of imported magazines. American magazines, for instance, collect more subscription revenues in Canada than do Canadian magazines.

Advertising sales play a vital role in the magazine industry. Publishers of periodicals cannot break even unless they manage to attract advertising. This is true in all countries, but Canadian publishers are often faced with strong competition from imported magazines, especially from the United States.

That is why about 30 years ago, Canada took steps to make it attractive for advertisers targeting the Canadian market to use the Canadian media.

The Canadian government was able to ensure that our periodicals would have more equitable access to their own markets. A complex set of measures involving postage, taxation and customs, together with subsidies, has contributed to the growth and stability of the industry.

This particular measure and this legislation are an attempt to complete a system that protects not only our magazines but, more broadly, the culture, ideas and values these magazines communicate to Canadians and their children, by propagating and protecting Canadian culture. This government is to be commended for taking measures we feel are absolutely indispensable to preserve—

[English]

Mrs. Karen Kraft Sloan (York—Simcoe, Lib.): Mr. Speaker, in Montreal on Friday, October 27 Canadians from coast to coast shared their love for Canada and Quebec. My riding of York—Simcoe sent six buses and turned away 200 more. In other ways, in rallies and vigils and in presentations of song and drama, they celebrated Canada.

(1355)

Mr. Solberg: On a point of order, Mr. Speaker, I am wondering if the member's intervention is relevant to Bill C-103 and the motions on it.

The Acting Speaker (Mr. Kilger): During the last few hours I have been paying close attention to all interventions from both sides of the House. At the beginning of members' statements, whether on report stage of Bill C-103 or other matters we dealt with earlier, some members took a few moments to reflect on the historical event which took place yesterday.

With the greatest of respect and fairness which the Chair owes to all its members, I am certain the member for York—Simcoe will be dealing with the matter at hand.

Mrs. Kraft Sloan: Mr. Speaker, my introduction has tremendous relevance for the importance of the magazine industry in Canada. It is really unfortunate the members of the Reform Party do not understand how valuable the Canadian magazine industry is to the country.

Compared with the United States, Canada may be small in numbers, but Canadians everywhere have shown that they are big in heart and are capable of creating a mighty roar for Canada. The Canadian magazine industry is an important and vital contributor in defining us and explaining who we are. In comparison to the American industry it also is small in number in terms of its potential circulation but it is very important to Canadians. It represents a wide diversity of interest and must be supported.

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Magazines have two clients, the reader and the advertiser. Over the past 30 years—

The Speaker: My colleague, you will have the floor when we resume debate after question period. It being 2 p.m. we will now proceed to Statements by Members.

STATEMENTS BY MEMBERS

[*English*]

CANADIAN UNITY

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I rise today to talk about our great nation, Canada.

While the results were close last night, we as a nation have so much to build our future on. Canadians from coast to coast share many of the same values and priorities. We all care about finding and keeping good paying jobs, that our streets are safe from crime and that future generations will inherit a compassionate and prosperous country.

The love for our country remains.

Last week the citizens of my riding organized a rally to demonstrate their desire for Quebec to remain a part of our great nation, and thousands upon thousands of Canadians travelled to Montreal to declare their love for this country.

These are the things that will hold us together. These are the things that we can build on in the weeks, months and years ahead.

* * *

AGRICULTURE

Mr. Jay Hill (Prince George—Peace River, Ref.): Mr. Speaker, when it came to the WGTA payout, the unique concerns of Peace River farmers were ignored by the government.

To ensure this does not happen again with the impending sale of the federal fleet of 13,000 hopper cars, I would like assurances from the Minister of Transport that BC Rail will be given an option to buy some of these cars.

As a grain farmer I am well aware that BC Rail has had serious problems getting timely and reliable access to these government owned but CN controlled cars for years. In the more competitive market created with the elimination of the Crow rate, it does not make sense the government would limit the sale of its fleet to a couple of select players and force BC Rail to lease cars from its main competitors.

On behalf of the farmers of the Peace, I believe BC Rail must get its fair share. Farmers need to know there will be sufficient cars to get their grain to market in the future.

* * *

[*Translation*]

NATIONAL UNITY

Mr. Bill Blaikie (Winnipeg Transcona, NDP): Mr. Speaker, while celebrating the fact that we Canadians remain together in a single country, we must ask ourselves some very important questions. What is a country, really? How did we weaken our political attachment to our country in the past 15 years? How can we renew the values we uphold and our vision of Canadian society?

[*English*]

In this respect, on behalf of the NDP we do not see uncritical decentralization and the offloading of federal responsibilities as a panacea, particularly if it is just a cover for the further dismantling of the very Canada that both Quebecers and non-Quebecers lament the continuing destruction of.

(1400)

A house divided against itself cannot stand, but even an apparently united house—

[*Translation*]

—without a foundation of social and economic justice, is a house built on sand.

* * *

NATIONAL UNITY

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, the outcome of the referendum gave us all a glimpse of the consequences that would result from the breakup of our great country.

The tiny majority won by the no side gives us an opportunity to strengthen confederation from the inside. I think that Canada is a better country with Quebec, that Quebec's culture and economy make Canada stronger, and that Quebec is stronger within Canada.

Being part of a large entity is beneficial to Quebec's economy and culture, as they are supported by both francophone and non-francophone citizens across the country. I thank all Peterborough residents who travelled to Montreal last Friday and all the people who expressed their attachment to and support for Canada during the campaign.

Let us join forces to make Canada an even greater country.

NATIONAL UNITY

Ms. Jean Augustine (Etobicoke—Lakeshore, Lib.): Mr. Speaker, in a show of support for national unity, thousands of students and residents of Etobicoke—Lakeshore are holding out a friendly hand to Quebecers.

As a friendship offering, the vast majority of people in Etobicoke—Lakeshore have put their hand prints and signatures on huge banners that will be sent to the people of Quebec. This gesture shows that they have respect for Quebec and hope to see this province remain in the Canadian fold.

[English]

With “Here’s My Hand”, the community of Etobicoke—Lakeshore of all races, colour, creed and ethnicity asked Quebec to take pride as we do in what we have accomplished together. Now more than ever, we must extend our hands and continue to work together for our future as one strong and united Canada.

* * *

QUEBEC REFERENDUM

Mr. Geoff Regan (Halifax West, Lib.): Mr. Speaker, I spent the last five days in the Quebec provincial riding of Labelle. I spoke to many Quebecers about their concerns and frustrations.

[Translation]

The day before yesterday, it was obvious that a majority of Quebecers do not want Quebec to separate from Canada but they do want changes. They have this profound desire to have their language and culture recognized and respected. They want renewed federalism. They want to live in an open and tolerant country.

[English]

We in the other provinces must live up to the promise of the past week. We have had on both sides a frightening failure to understand each other and a failure to understand the consequences of a yes vote.

[Translation]

Never again must Canada be allowed to come so close to the brink of destruction.

We must talk and take action.

* * *

SOCIAL PROGRAM REFORM

Mrs. Pauline Picard (Drummond, BQ): Mr. Speaker, the federal government has deliberately been cruising in neutral since the end of September while waiting for the Quebec referendum results. Major changes to unemployment insurance and old age pensions will soon be introduced, and they will hit

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people harder than ever before since the inception of these programs.

We are aware of the societal choice being made in Ottawa, thanks to secret documents leaked to the public. We know that this choice is totally inconsistent with Quebec’s aspirations in terms of society. The wind of change coming from Ottawa is really a flurry of drastic cuts that has Quebec shivering.

Those who chose to hide the truth from Quebecers will have to take the blame for it.

* * *

QUEBEC

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, the referendum result reflects two different visions of Quebec. One is that Quebec is an integral part of a united Canada. But it is more than that. Quebec is the founding province of Canada, the place where it was born, the cradle and champion of franco-phones across Canada.

(1405)

The other is that Quebec is one of these world nations that, because of their history and destiny, must become independent, while of course recognizing its special ties with Canada.

What these two visions have in common are democratic values, tolerance, and recognition of the fact that Quebecers form the only predominantly francophone society in North America.

Quebec is now and forever a francophone society that is free and able to control its own destiny and development, as part of Canada and of the world at large.

* * *

NATIONAL UNITY

Mrs. Pierrette Ringuette—Maltais (Madawaska—Victoria, Lib.): Mr. Speaker, Quebecers have spoken. Yesterday, they democratically chose to stay in Canada.

This referendum, the second in 15 years, clearly shows that Canada is still Quebecers’ first choice. Obviously, given the numbers, there is no reason for anyone to go around bragging. Nevertheless, yesterday’s vote is confirmation that Quebec does not want to separate from Canada.

In the coming weeks and months, people from all over the country, and particularly from Quebec, will ask for a Canada that better reflects who we are.

Last Sunday, in Hull, the Prime Minister said that we must never take our country for granted. We took heed of that message and we are determined to do everything to ensure the best possible future for our country.

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DEMOCRACY

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, yesterday, the great democratic tradition that prevails in Canada and in Quebec allowed for a referendum to be held on Quebec's constitutional future.

Ninety-four per cent of Quebecers voted. That, in itself, is an unprecedented democratic success, given the importance of the issue.

The very civilized campaign and consultation process show unequivocally that the principles of tolerance and freedom are valued by everyone in this country.

I want to congratulate all those who participated in the campaign. The responsible attitude and the respect displayed by both sides during that campaign reflect favourably on Canada and Quebec.

It is always reassuring to see that, in spite of the diverging views held on a given issue, the principles of democracy are shared by everyone in our country.

* * *

DEMOCRACY

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): My congratulations also to all of the men and women of Quebec who took part in yesterday's referendum. The issue presented to them was the choice of a country.

On both sides of the issue, our fellow Quebecers in all regions behaved with dignity and honesty, respecting others' opinions, and maintaining complete calm.

There is no doubt about it, the federal government and its crown corporations, the major Canadian carriers and the telephone companies in the anglophone provinces made major illegal contributions to the no side, illegally.

But the profoundly democratic character of the Quebec referendum process belongs to us all, to all Quebecers, and we should all be proud of this. No one can take away that pride. Building serenely upon that foundation we shall continue the struggle of the Quebec people toward sovereignty.

* * *

[*English*]

QUEBEC REFERENDUM

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, most Canadians are breathing a sigh of relief today after the slim no victory. But while Canada remains united, what have we truly won?

[*Translation*]

The situation in which we find ourselves today is the same as the situation last night, last month, last year. It is obvious that all Canadians want changes at the federal level.

The referendum results are a clear indication that Quebecers have rejected the status quo, which has been the central element of this Prime Minister's political philosophy for the past 30 years.

[*English*]

We can only hope these results are enough to force our traditional leaders to leave behind their prehistoric ways and join all Canadians in the 21st century. If the overall results are not sufficient to do this, maybe the no leaders should take a long hard look at last night's results in ridings like Saint-Maurice and Sherbrooke.

* * *

[*Translation*]

NATIONAL UNITY

Mr. Denis Paradis (Brome—Missisquoi, Lib.): Mr. Speaker, after the referendum yesterday, the Prime Minister of Canada said, and I quote: "It is up to us in Ottawa and Quebec City to respond to their expectations. Mr. Premier of Quebec, I reach out to you, sir".

(1410)

The people of Canada now echo what was said by the Prime Minister. After a week spent demonstrating their love and affection for Quebec, Canadians are ready to join Quebecers in responding to the pressing needs of our country.

I earnestly hope that the Premier of Quebec will respond to this gesture and thus send a genuine message of reconciliation to all Quebecers.

* * *

NATIONAL UNITY

Mr. Nick Discepola (Vaudreuil, Lib.): Mr. Speaker, we now know the verdict. Quebecers have said no to separation and have decided to stay within the Canadian federation. The results of the referendum have indicated very clearly that the people of Quebec are divided. Some wanted a new country where they believe everything would be possible. Others voted for the country they knew and loved, also in the belief that everything is possible.

It is now time to leave division and debate behind. It is time for reconciliation and solidarity. We all have to stick together and get back to work.

[*English*]

I extend my hand to all Quebecers and especially my Bloc Quebecois colleagues in the House of Commons, in the spirit of mutual respect, co-operation and understanding, in order to work collectively to defend the interests of all Quebecers no matter how each one voted last night.

*Oral Questions**[Translation]*

Canada and Quebec can look forward to an exceptional future. It is up to us to make it happen.

* * *

DEMOCRACY

Mrs. Pierrette Venne (Saint-Hubert, BQ): Mr. Speaker, democracy spoke yesterday in Quebec and, as great democrats, Quebecers intend to respect the verdict. Although today, half the population of Quebec is saddened by the results, our first duty is to accept these results with calm and dignity, although the majority of the No side is minimal.

For democracy is the very foundation of the sovereignist movement, and we have every reason to be proud of the democratic exercise that ended yesterday, because it reflects, more than ever before, the discipline and political maturity of Quebecers and their profound attachment to democratic values.

The sovereignist movement will gain in stature after last night. The roots of hope are firmly imbedded for the future, for the near future.

* * *

*[English]***NATIONAL UNITY**

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, last night the people of Quebec demanded change from the federal government, sweeping change which has already been advocated by the Reform Party. By resisting change the rigid centralists of the Liberal Party brought this country to the brink of destruction.

Change must come and when it does the government must deal with each province as an equal partner in Confederation. Whatever is offered to one province must be offered to all. The government may be tempted to grant special status to one province to retain a share of its traditional power, but the lesson we learned last night is this: If the federal government continues to clutch the power to its breast, it will lose the federation.

Only the broad devolution of powers to all provinces on an equal basis will allow us to address the concerns of the different regions of the country. In order that Canada can continue to prosper the socialist dream of this overwhelming and intrusive central government must be permanently laid to rest.

Reformers will oppose special rights to any province because unity is based on equality.

(1415)

*[Translation]***ORAL QUESTION PERIOD****SOCIAL PROGRAM REFORM**

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, we know the government deliberately put off tabling its reform of social programs until after the referendum in order to keep the bad news awaiting the unemployed from them until then. There have been a number of leaks of late confirming that the reform has been ready for a number of weeks already. The CSN has even made public a bill setting out exactly how they would cut the unemployment insurance plan.

My question is for the Prime Minister. Now that Quebecers have voted no in the referendum, what is preventing him from unveiling his reform of social programs, under which he is once again to make cuts on the backs of the disadvantaged?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I find it quite surprising that the CSN has a bill I have not yet seen.

The government is still looking at the problem, and we have not made a definitive decision. Furthermore, I am in contact with the provincial premiers, as I indicated two weeks ago in this House. The maritime premiers have made representations in this regard, and I have not finished consulting the other premiers. I hope to do so soon.

When we are ready, the government will approve a draft bill, which will be submitted to this House. The members will be able to make suggestions and amendments and, after it has been duly studied, the bill will be passed.

At this point, however, I have to say that Cabinet has not yet approved any draft bill on the matter.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, up to now, the government cited the imminence of the referendum to explain why it was not governing. Now we wonder what pretext it will invent to justify its inaction.

How can the government still claim that the reform of social programs is not yet ready, when, in the case of unemployment insurance, everyone can read the bill in the paper announcing more radical cuts on the backs of the unemployed?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have just answered the question. I repeat that no draft bill has yet been approved by the government. No draft bill has been submitted to cabinet. When it is submitted, the ministers will consider it, and there will be a resolution. I have to say we are well on the way, but I want to talk to one or two premiers who have made representations, before approving the final bill. No draft bill has been approved by the government to date.

Oral Questions

So, we are waiting. When it is ready, we will table it in the House, and members can make suggestions or amendments, if they do not like it.

Hon. Lucien Bouchard (Leader of the Opposition, BQ): Mr. Speaker, given that the unemployment insurance fund will register a surplus this year of nearly \$5 billion, does the Prime Minister plan to exempt the unemployed from further cuts and to reconsider his strategy of singling them out?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, I would suggest that the hon. leader of the opposition read the recommendations that were made by the House of Commons committee, which indicated that one of the serious problems in the past was that the government that preceded ours, of which he was a member, substantially cut unemployment insurance premiums. When a recession hit the country they had to suddenly and drastically raise those premiums, which only accelerated the recession. Therefore the House of Commons committee recommended that a reserve be established to ensure there could be a stable state of premiums established.

As the hon. member knows, right now we are still paying off the deficit that was incurred by the previous government in the UI fund. We want to make sure we establish enough of a reserve that we will not run into the same problems the government of which he was a member encountered when it had to deal with the unemployment insurance system.

[*Translation*]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, despite the announcement in the last government budget, the Prime Minister has stated on a number of occasions that there was no question of cutting old age pensions. Despite the Prime Minister's prerferendum assurances, however, seniors are concerned.

My question is for the Prime Minister. When will he make known the contents of his planned reform of old age pensions?

(1420)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I was very clear in this House prior to the referendum and I am still clear after the referendum: We have no intention of cutting the federal pension benefits being received by those who are already retired—as I have said and as I say again—either in November or in the next budget.

I was very clear before the referendum and I am as clear today.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, could the Prime Minister reiterate today the commitment made on numerous occasions during the referendum campaign that his government will not cut the old age pensions of future recipients? I would like some clarification concerning "future recipients".

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I have never mentioned future recipients. We are speaking of those receiving pensions. That is always what we have said, that we had no intention of changing the plan for those in receipt of old age pensions.

We have said that the federal government needs to ensure, over the long term, that the plan will be available for people who will reach retirement later, because everyone feels this is a plan requiring adjustments. There are more Canadians than in the past, in proportion to the size of the pension fund, and we need to look to the long term. We have spoken of reform for the years 2005 and 2010, and not for the immediate future.

* * *

[*English*]

CANADIAN UNITY

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, last night this country came within a hair's breadth of breaking apart. Fortunately the no side scraped through but it was thanks to the last minute efforts of the Canadian public, not to the strategy of the Prime Minister.

The Prime Minister and the no side strategists woefully underestimated Quebec's deep desire for change and up until 10 days ago were still trying to sell the status quo with a little administrative tinkering. These gross miscalculations almost cost us the country.

My question is to the Prime Minister. Three months ago the Prime Minister did not have an adequate plan to keep this country together. He did not have one last night. Does he have one today?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we had a plan and the people of Canada responded well to it. We had a close referendum, which was the expression of the will of the people of Quebec. Their views were expressed. It was closer than we expected. We wanted more.

I know the leader of the opposition wanted to win. There was no doubt in his mind that he wanted to win, which is normal in such a contest. But we won.

I made a speech on Tuesday in which I said I was in favour of certain changes. I will bring about these changes very quickly. As far as the will of the people of Canada is concerned, yes, they have helped a lot. A lot of members on this side were in Montreal with the people of Canada. However, I realize that during all that campaign the leader of the third party did not do much to help us to win.

Oral Questions

Some hon. members: Hear, hear.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, I do not think the Prime Minister learned a thing from last night.

Quebecers last night registered a massive demand for change. While Quebecers said no to separation by the narrowest of margins, both sides were giving a massive no to the status quo. Yet in his speech last night and in his remarks today, all the Prime Minister has to offer are the same old meaningless clichés about change that almost put this country over the edge.

Will the Prime Minister say today what changes he is going to make in the federal system to make it work for all Canadians? Will he be fresh, clear, and specific instead of tiresome, vague, and meaningless?

(1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in a federation like Canada we have to talk with the premiers too, who during the campaign, contrary to the leader of the third party, did everything they could to help me and everybody on the no side to win.

I had the chance to talk with the premiers yesterday afternoon. We discussed a certain possibility of change, not necessarily all constitutional. They are willing to work with us. That is the way to do it, which is not what the leader of the third party has done. Rather than unite with everybody to give a front of a united Canada for the referendum, the leader of the third party was always out trying to score some cheap political points.

Some hon. members: Hear, hear.

Mr. Preston Manning (Calgary Southwest, Ref.): Shameful. Mr. Speaker, if I wanted to score cheap political points, I would know where to go.

A real agenda for change that would address the demands of Quebec and other provinces has to have two characteristics: It must be within the federal government's ability to implement without constitutional wrangling and it must be capable of commanding support among all the provinces including Quebec. Reform has a list of 20 such changes. We call them the new confederation proposals.

My question will appeal to the ethics of the government. If we were to put these new confederation proposals into a brown envelope and leave them outside the office of the Deputy Prime Minister, would the government be willing to steal them so that Canadians could at least have some plan to address the demand for change in this country?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, if the leader of the third party had been in Quebec he would have realized that nobody in Quebec voted to dismantle medicare, free medical care for everybody in Quebec. Nobody voted for that. Nobody voted for the agenda of the Reform Party to destroy the social safety net that exists in Canada.

What the leader of the third party is trying to do at this moment is sell its very right wing agenda, to the right of Gingrich. He is using this occasion to pass his own political agenda rather than arguing for the survival of the country.

* * *

[*Translation*]

SOCIAL PROGRAM REFORM

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

Last week, the CSN made public the minister's bill on unemployment insurance reform. It indicates that, the more workers need unemployment insurance, the less help they will get from it. The rate of benefits paid to the unemployed will in fact be reduced according to the number of weeks they have drawn benefits in the past. The minister refused to comment before the referendum.

Now that the referendum is over, will the minister acknowledge that the two-tiered unemployment insurance plan, which he claimed last spring to have rejected, is sneaking back into his bill and that seasonal workers will be hard hit by his reform?

[*English*]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, whether it was before the vote for Canada last night or after the vote for Canada, the reality stays the same.

What the CSN put forward has no relation to the kinds of proposals the government is working on. Any documents they are dealing with they are conjuring.

As the Prime Minister said, I have not yet presented my recommendations to the cabinet. When those recommendations are presented and approved after further discussions with some of the provinces, we will be very happy to present them in the House. The hon. member will be able to see for herself exactly what is in them. Until then, I would recommend that the hon. member not buy the kind of stuff the CSN was putting out last week.

[*Translation*]

Mrs. Francine Lalonde (Mercier, BQ): Mr. Speaker, it is a bill like others that coincide with leaks from his department.

Oral Questions

Will the minister acknowledge that the regions whose economy depends largely on forestry, fishing and tourism will be the hardest hit by his reform and that he will turn them into second class regions peopled by second class unemployed?

(1430)

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, we have heard a great deal about the need for change during the debates of the last several weeks.

Perhaps the most important change we need to make is to get ourselves into having a job system for the 21st century that will reach out to the many people who have been unemployed for long periods of time and try to create the framework, the context and the resources to help them get good jobs to help economic development in the regions.

One way we can make that change is to shift from an unemployment insurance program designed 50 years ago to an employment insurance program designed for now and the next century. The real interest of the high unemployment areas is to get a good job creation system in the country. That is what we intend to do.

* * *

THE CONSTITUTION

Miss Deborah Grey (Beaver River, Ref.): Mr. Speaker, it has been proven that Canadians from sea to sea want absolute equality.

In the Confederation of tomorrow what guarantee could the Prime Minister give Canadians that every province and every individual will be treated equally?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, in 1980 we put in the Constitution a charter of rights that gave equality to every Canadian.

Miss Deborah Grey (Beaver River, Ref.): With that guarantee then, Mr. Speaker, why is the Prime Minister threatening to open up the Constitution again? There is no support for it across the country.

He has said during this debate: "We will make the changes that are needed". Whatever that code means, whatever the changes include, could the Prime Minister guarantee to us that there will be no special status for anybody? Just say no.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, there are in the Constitution provisions that are not the same for everybody. For example, there is a proposition coming from Newfoundland at this time, which has a system of education that is different from those in Ontario and Alberta.

Some provisions in the Constitution guarantee forever that there will be four seats for the citizens of the province of P.E.I., even if the proportion of the voters is much lower than some constituencies in Toronto. There is also a provision that one can argue does not guarantee absolute equality, but I think it is right for the province of P.E.I. to keep its four seats. It was among the first to join Confederation.

* * *

[Translation]

SOCIAL PROGRAM REFORM

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development. Through his UI reform bill leaked by the CSN last week, the minister, far from helping young people, is set to increase very substantially the requirements that first time applicants must meet in order to qualify for the support that the UI program should provide. The minister refused to confirm anything before the referendum.

Now that the referendum is over, will the minister admit that his bill will increase from 20 to 26 weeks the minimum number of weeks of work required to qualify for benefits and exclude thousands of young people from unemployment insurance, and that the minister's new program will be one more obstacle to their access to the labour force?

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, as I have said several times now, the proposed employment insurance legislation has not been finalized. It has not been presented to cabinet. The hon. member would be well advised not to pay attention to any documents various groups have of what they think we will be presenting.

The hon. member should be looking at the fact that since taking office the government has introduced major new employment programs for young people. This year alone we will provide funding for partnerships with the private sector and with various school boards, including many in Quebec, to provide a brand new opportunity for over 25,000 young people to get the experience of moving from school to work, the vital bridge between formal education and work experience education.

We are committed to helping young people. We are not only committed but the actions we have initiated have shown how successful they can be.

[Translation]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, last year, the changes made by the government raised from 777,000 to 800,000 the number of welfare recipients in Quebec, so you can understand why we are concerned.

Oral Questions

Does the minister recognize that his reform will make it much harder for women to return to the labour force after a long absence, as they will no longer be able to rely on UI for support between often precarious jobs?

(1435)

[English]

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, there are two forms of reply. First, I would point out to the hon. member that his facts are wrong. The reality is that the statistics we have from the Government of Quebec show the numbers of people on welfare have dropped over the last three months, not increased.

Second, I would point out that one of the very strong recommendations from the House of Commons committee, which we are listening to very carefully, is to provide for improved measures for women who want to come back into the workforce. We intend to live up to that commitment.

* * *

THE CONSTITUTION

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, for two very long years now we have watched the Prime Minister and the government overspend by \$80 billion. We have watched them snooze while people fear for their safety on the streets. We have watched them sleepwalk to the edge of a cliff in Quebec. It is time for a wake up call over there.

My question is for the Prime Minister. Are we doomed to repeat the endless distinct society debate that 30 years of negotiations could not resolve? If so, how does he plan to convince nine other premiers that it is in their best interest to sign on to inequality?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I was very pleased at the big rally in Montreal, where there were more than 100,000 people, to see the premiers of Ontario, New Brunswick, Prince Edward Island and Nova Scotia there to show their solidarity. They showed the Quebec people that they wanted Quebec to remain in Canada. They also wanted to show their appreciation for the contribution of Quebecers since Confederation. I was very proud to see the premiers there. I noted there were not many Reform people there.

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, holding rallies in the country is a far cry from good strategy.

My question is again for the Prime Minister. Will the Prime Minister commit today to a process to ensure more authority for the provinces by giving them the tools to pursue their distinctiveness by decentralizing powers equally in the federation, in

particular in areas like tourism, culture, language and natural resources? Give an answer for a change.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, all the powers the member mentioned are provincial powers. The only intervention by the federal government is to give money to the provinces in these areas. We use our spending power to give money in these areas. In the area of culture, for example, yes, the province of Quebec receives more than the proportion of population because it is where the milieu of the French culture is found. The reason a lot of the grants in relation to the French language are given to Quebec is that Quebec est le foyer de la langue française. We recognize that.

However, we do not have the constitutional power in those areas. The powers are with the provinces. We sometimes distribute money to give an equality of chances to the people. The reality in Canada is that we have parts of Canada where people are rich and parts of Canada where people are poor. It is the value of the Canadian mentality that the parts of Canada that have money help the people who need money in other parts of Canada.

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*[Translation]***TRANSFER PAYMENTS**

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, my question is for the Minister of Finance.

Cuts in transfer payments to the provinces announced in the last federal budget will mean a \$650 million shortfall for Quebec next year. By 1997-98, the shortfall in Quebec caused by federal cutbacks will range anywhere from \$1.2 to \$1.9 billion, depending on the distribution method.

(1440)

Now that the referendum is over, can the Minister of Finance tell us on what basis he plans to distribute the Canada social transfer among the provinces and if he still intends, as suggested in his budget speech, to use population as a criterion, which would mean that more than 40 per cent of all cuts made in Canada would be made in Quebec alone?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, every time the hon. member quotes these figures, he fails to mention equalization, which is a very important system by which the federal government transfers funds to the provinces and to the people of Quebec.

That being said, no distribution criterion was mentioned in the budget. We said that we would hold discussions with the provinces, and I expect to meet with my provincial counterparts before long to really get these discussions going.

Oral Questions

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, my question was clear, yet, as usual, I did not get an answer. When questions are put to the Minister of Finance, they never get answered anyway.

When does the Minister of Finance intend to announce the extent of the cuts he is about to make in Quebec and to disclose the actual figures that he has been deliberately hiding from the people of Quebec during the referendum campaign?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, we were quite clear in the budget. We announced the framework in which we wanted our negotiations with the provinces to take place. The hon. member would not want me, I am sure, to make an announcement in this House, quoting figures that we have not even started discussing. Discussions will have to be held with the provinces, and that is certainly what we intend to do.

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[English]

THE ECONOMY

Mr. Barry Campbell (St. Paul's, Lib.): Mr. Speaker, my question is for the Secretary of State for Financial Institutions. One of the greatest concerns of Canadians during the referendum campaign was economic stability. After last night's vote for Canada markets have stabilized and the dollar has strengthened.

People expect the federal government to ensure the stability of the financial system. Could the secretary of state tell the House what the government is doing to protect Canadians from the shocks that may arise from unauthorized trading in derivatives?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I am glad to hear the member's interest in that subject because the government believes the derivatives market is an important market in the country. The Superintendent of Financial Institutions has taken some major steps in the last little while to handle that.

First there has been a guideline for best practices in derivatives and then last Friday there was a guideline on derivatives disclosures to improve public disclosure. Both these measures are important developments for the safety and security of the financial system.

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OFFICIAL OPPOSITION

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, the Prime Minister has catered to the separatists in the House. His government supports them as the official opposition. His government has elected them as committee chairmen and his government has changed the agenda of the House for the separatists. The

separatists in the House have been granted special preferential treatment.

My question is for the Prime Minister. Why is this happening and when is it going to stop?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I will be the defender of British tradition in the House of Commons. Under this parliamentary system there is an official opposition. We do not choose it; we take it as it comes. The tradition is that in committees we allocate jobs according to the status of the official opposition. They are members of Parliament. They are members of Parliament elected to come to Ottawa.

They wanted to break up Canada and they did not succeed yesterday, so they are still members of Parliament in Canada and they have the right to sit on committees. With respect, it is a tradition developed in the British parliamentary system, and coming from rural Quebec I am happy to defend the British tradition.

(1445)

Mr. Ray Speaker (Lethbridge, Ref.): Mr. Speaker, the reason the separatists are in the House is the Liberal people who have sat in the House for some 30 years have not dealt with the problem before.

We have been in the House for 45 days and there has been no agenda except for the agenda of the separatists. There has been no legislation before us. There has been no fiscal plan. The country is leaderless and the government sits and still does not give us any leadership.

As the House leader for the Reform Party, where and when will we have an agenda for Canadians rather than an agenda for the separatists?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, the House has been dealing with important legislation presented by the government each and every day the House has been sitting. It has been dealing with private members' legislation, in some cases presented by the Reform Party.

The oddest thing about the rather odd question of the Reform Party House leader is that on a number of these occasions he has participated in the debates. He must be in a dream world more than he usually is.

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[Translation]

GOODS AND SERVICES TAX

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, allow me to remind the Prime Minister that, before making petty comments on the official opposition, he should remember that, yesterday, a majority of his constituents voted yes in the referendum.

Oral Questions

My question is for the Minister of Finance. During the last federal election campaign, the Liberals, and particularly the Prime Minister, promised to eliminate the GST by January 1996. On March 2, 1994, the Prime Minister again said: "We hate that tax and we will abolish it".

Can the Minister of Finance tell us why, after more than two years in office, he still has not made good on his promise to abolish the GST, and whether or not he intends to fulfill that commitment before January?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, a commitment was made to replace the GST with a tax that would be fair and much more effective for consumers and small businesses in Canada. Clearly, these groups want a harmonized tax. We are having discussions with the provinces, because this issue requires co-operation from both sides.

Mr. Pierre Brien (Témiscamingue, BQ): Mr. Speaker, that effectiveness is always slow to come. I have a supplementary for the Minister of Finance.

Does he still intend, as do his Liberal colleagues on the finance committee, to go ahead with a suggestion to hide the GST in the sale price and to impose that tax on food items and on drugs? Is that the type of change proposed by the Minister of Finance to his provincial counterparts?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.): Mr. Speaker, as I said, we are having discussions with the provinces on that issue. Something will eventually come out of those discussions. The hon. member knows full well that the whole issue of whether that tax will be included or not depends on the provincial laws. I am sure that he would want us to respect the true boundaries of provincial an federal jurisdiction.

* * *

[English]

TRAINING

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, the Minister of Human Resources Development has used every available excuse to avoid making meaningful social reform. He keeps telling us he has offered to the provinces the responsibility for manpower training.

When will the minister specifically give power to the provinces for manpower training?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, to use the old saying, it takes two to tango. We can only get an agreement when the provinces are prepared to agree. We are actively engaged with several provinces at present to work out how we can collaborate and work together on developing a much more effective program.

(1450)

I remind the hon. member for Calgary Southeast that the real issue in the country is what is the most effective way in which all governments can work together to get people back to work? It is not a question of jurisdiction or power; it is a question of getting people back to work and how we can work together to achieve that end.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, let us focus for a minute. Yesterday and last week the minister stated he had offered manpower training to the provinces. Yet after having contacted three provincial governments I have confirmed that the minister has not made any official offer to the provinces to give them manpower training. Instead he is holding up negotiations.

If the minister is truly committed to giving manpower training to the provinces, why are the governments of B.C., Alberta and Ontario not aware of any offer?

Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification, Lib.): Mr. Speaker, the reason they are probably not aware is that the message was so garbled by the hon. member that they did not understand what was being discussed.

We have already signed an agreement with the province of Saskatchewan. I have met with the ministers of each of the provinces mentioned. We offered a year ago to put on the table a transfer of responsibility for institutional training to all the provinces but they do not want to respond just yet. It is their responsibility.

In the full atmosphere of open co-operation and reaching out, any time a provincial minister wants to make a deal with me I will be there for that meeting.

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BANKING

Mr. Alex Shepherd (Durham, Lib.): Mr. Speaker, my question is for the Secretary of State responsible for International Financial Institutions.

The banks of this country are holding customers' cheques for final clearance often for weeks. Everyone knows the banks within our system clear their cheques within 24 hours. The United States banks are required to pay up after 72 hours.

What will the minister do to stop the banks from profiting from this practice at the expense of average Canadians?

Hon. Douglas Peters (Secretary of State (International Financial Institutions), Lib.): Mr. Speaker, I am pleased to have the opportunity to say we have a clearing system in Canada which does same day clearance of both the debit and credit side of items. The banks, in their internal organizations, occasionally hold funds but the credit to the account is made right away. There is no loss of interest. The interest is paid, I understand, in most cases right away from the date of deposit.

Oral Questions

[Translation]

PURCHASE OF SUBMARINES

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, Great Britain is maintaining its offer to sell four submarines to the Canadian Navy for \$500 million dollars plus the use of our military bases.

The British Minister of Defence has indicated that the offer is still valid, despite the Canadian government's delay in proceeding with the transaction.

My question is for the Minister of Defence. Given the terrible financial situation the federal government is in, can the Minister of Defence tell us whether he has given up on the idea of purchasing four used British submarines for \$500 million plus other considerations?

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, there has been no decision to date.

Mr. Jean H. Leroux (Shefford, BQ): Mr. Speaker, how can the minister justify such a purchase of submarines at the cost of half a million dollars at this time, when the cold war is well and truly over and Canada has no need of such submarines?

[English]

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I find it very difficult to justify a purchase which has not been made.

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THE CONSTITUTION

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, in recent days and again today the Prime Minister has indicated he may soon pursue some constitutional negotiations.

(1455)

Is it his intention to pursue constitutional negotiations with the Parti Québécois in Quebec. Based on past history, would he expect those to be fruitful? Would he expect to find Mr. Parizeau an open, positive and constructive participant in constitutional negotiations?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, of course if we were to have such negotiations they would be with all provinces. I hope that if they are in the interests of Quebec Mr. Parizeau will accept.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, based on his past experience after the referendum in 1980, does the Prime Minister really think it is wise to enter into constitutional negotiations with a PQ government which has lost its own constitutional mandate and which could well find itself isolated and weak at the bargaining table?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we do not intend to get involved in long constitutional discussions, as was the case after 1980. That is not the intention of the government. If something can be done with the agreement of the provinces we will do it. Quebec will assess the proposition and will render a view.

I do not intend to put on the table a long discussion on constitutional change. A lot of changes can occur in Canada without touching the Constitution.

We are doing that all the time. To give an example, the Minister of Transport has planned for over three years to reduce the size of his department from 20,000 people to 3,000 people. He is giving airports to municipalities and other things are being privatized. There are lot of things we can do without having to change the Constitution and the Minister of Transport is doing some now.

Some hon. members: Liberal Tories.

* * *

THE ECONOMY

Hon. Jean J. Charest (Sherbrooke, PC): Mr. Speaker, in case some members are mistaken, this is not about Liberal Tories, this is about standing up for Canada.

Some hon. members: Hear, hear.

Mr. Charest: My question is to the Prime Minister. My colleague from Saint John and I campaigned about change in this referendum. I know the Prime Minister also talked about change.

Given the fiscal situation of the country, I would like to know whether he would contemplate seizing this opportunity to propose to the provinces a common national plan for deficit and debt reduction so that the country could deal with the issue with one single mind and look at common objectives to balance our books and get our fiscal house in order and help all Canadians deal with what is the most pressing issue facing them today.

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, first I would like to offer my congratulations to the hon. member for his great contribution during the referendum.

We are political opponents and we will remain political opponents. Despite our political differences, we were both fighting to keep this country together. I was very proud to walk with him.

(1500)

I would like to thank him on behalf of all Canadians, including Quebecers, for the passionate speeches he made during the referendum. It was very much appreciated. He did not try to score any political points. He just wanted to keep his country together.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint-Maurice): In terms of talking with the provinces about a program to reduce the deficit of every level of government, I have to report to the hon. member that the Minister of Finance is always in communication with other ministers of finance. That is a goal every provincial government is trying to reach at this moment. We try to do it in collaboration with each other because it is very important that we manage this problem.

Today, now that political stability has come back to the country the interest rate went down by 1.5 per cent and the Canadian dollar increased its value to 75 cents. We now have to get back on the real agenda of putting the affairs of this nation on the right track and creating jobs. The people will be better off for that.

* * *

[Translation]

CONSTITUTIONAL REFORM

Mr. Svend J. Robinson (Burnaby—Kingsway, NDP): Mr. Speaker, my question is for the Prime Minister.

At a time when Quebec has the highest poverty rate in the country, the Liberals are making massive cuts to social programs and unemployment insurance. Given the extremely close results of the referendum, will the Prime Minister drop his devastating policies, reject the demands of the Reform Party to dismantle the federal government and keep his recent promises of constitutional reform, including recognition of the people of Quebec as a distinct society?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I thank the member for his question. We intend to go ahead with our legislative program, which is widely known, and with what I announced in my speeches last week. I intend to keep my word. How will we proceed? As I said earlier, the matter will have to be discussed with the provinces, because there are certain ways we can do it with the provinces, and there are other ways where Parliament can act alone. So we are looking at various possibilities.

As I have always said, I recognized Quebec as a distinct society and I did so during the campaign. I supported the Charlottetown accord, whereas the Leader of the Opposition did not. I supported the Charlottetown accord, which recognized a distinct society. I know that the hon. member also supported it. I also know he would do so again, if he had another opportunity.

Government Orders

GOVERNMENT ORDERS

(1505)

[English]

EXCISE TAX ACT

The House resumed consideration of Bill C-103, an act to amend the Excise Tax Act and the Income Tax Act, as reported (with amendment) from the committee; and of Motions Nos. 1 and 2.

Mr. Walker: Mr. Speaker, I rise on a point of order. Just before the break for question period the member for York—Simcoe was in the middle of her speech, but unfortunately because of other parliamentary business she will not be able to finish her speech. Therefore I think the House is ready for the question on the first motion.

The Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

I declare Motion No. 1 lost on division. Therefore Motion No. 2 is defeated also.

(Motion No. 1 negatived.)

Mr. Monte Solberg (Medicine Hat, Ref.) moved:
Motion No. 3

That Bill C-103, in Clause 1, be amended by deleting lines 43 and 44, on page 5 and lines 1 to 6, on page 6.

He said: While I have the chance, I want to pass on my congratulations to you, Mr. Speaker, and also the congratulations of many members of the Canadian Association of Broadcasters for the wonderful job he did in this Chamber last Saturday night of explaining the history of this place and also reminding broadcasters and through them, all Canadians of the value of this great country. I just want you to know how deeply people appreciated that.

Mr. Speaker, I am here to address Bill C-103. Specifically in Motion No. 3, we are asking that the imposition of the 80 per cent excise tax in Bill C-103 be deleted.

Government Orders

I want to speak to this bill in a larger way. I want to address some of the things which came from the hon. member for Don Valley West and the member for Rosedale. They were talking about how Canadians could not compete in the face of the overwhelming economic advantage the Americans have when it comes to certain sectors of the economy.

I guess we have to remind those hon. members that we have heard over and over again the debate on how Canadians cannot compete against the Americans. I am going to have to point out that for 128 years as a country we have faced competition from a much larger and much more powerful country to the south of us, but inevitably when the trade barriers are knocked down and we compete head to head, Canadians do extremely well.

I remind hon. members and I remind the Parliamentary Secretary to the Minister of Finance that it was not very long ago during the free trade debate when wine producers and grape growers were extremely concerned about the effect of free trade on their industry. It was going to be the end of the production of wine in Canada. An American juggernaut was going to roll across this country's wine producing regions, southern Ontario, the Okanagan and other areas.

(1510)

For crying out loud, it was just a few weeks ago that the Calgary *Herald* ran a big edition about how successful the wineries are in the Okanagan region. A member across the way from the Niagara region has done extremely well with his winery despite the fact that we have free trade and despite the fact the Americans had all the advantages of the economy of scale which this government says it is so concerned about.

The government is using that economy of scale as an argument for preventing *Sports Illustrated* and other magazines from using split run technology, getting into Canada and going after advertisers in this country. Frankly, those arguments do not hold water. The economy of scale has always been there. Instead of complaining about it, let us use it to our advantage.

When we were talking about this legislation in the finance committee a gentleman came forward representing the interests of Quebec magazine publishers. He talked about the big bad Americans and how France was going to come in and roll over magazine publishers. He did not just talk about them, he talked about the big bad Swedes, the big bad people from Belgium and the Swiss. If my memory serves me correctly, I think we are at least as big as those countries. We are at least as economically powerful as those countries but he was worried about the effect those magazines would have on French publications in Quebec.

Instead of whining about this, instead of pretending or suggesting we are victims, why do we not simply turn the tables on them? Why do we not go after their markets? I would argue that

the people of Quebec and the people of Canada can produce magazines and editorial content that can compete with the best in the world. There is no reason in the world we cannot be selling that product to the French speaking population in Switzerland. There is no reason we cannot go into Belgium. There is no reason we cannot go into French speaking and English speaking countries around the world. What are we afraid of?

I pointed out earlier today that I was at the broadcasters convention this weekend. The broadcasting entity CanWest Global is doing extremely well in New Zealand and Australia. Just the other day Power Corp. out of Quebec as a conglomerate won a bid for the fifth channel in the U.K. I am told that Power Corp. is the largest broadcaster in Europe. It is a Canadian company.

What are we afraid of? What is the parliamentary secretary and the government afraid of? Our magazine industry can compete. We do it in every other sector. Why in the world should this sector be any different? Let us forget about these phoney arguments which are old and have been proven to be false in every other sector. Why in the world can we not push ahead and compete freely? Certainly the Americans compete freely in the magazine publishing industry.

I heard these straw men being thrown up by the member for Rosedale about how the Americans are protectionist. I agree they are in many sectors but they are not in this one. Let us go head to head. Two wrongs have never made a right. No one agrees with protectionism in this House or at least members on our side do not.

Let us forget about those straw men arguments. Let us push ahead with real free trade. Let us approve this amendment and get on with the business of making sure Canadians can profit from their expertise in this industry.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I thank the House for the opportunity to rise on Motion No. 3 put forward by the hon. critic from the third party, the member for Medicine Hat.

He asked a rhetorical question as to why the parliamentary secretary for finance was afraid of competition. I would like to set the record straight. Neither the parliamentary secretary nor his government are afraid of competition.

(1515)

If we look at the question differently and ask what we are proud of, we are very proud of the Canadian magazine industry. We are very proud of the fact that we have within Canada a very strong and flourishing industry. In fact one of the associations involved, the Canadian Magazine Publishers' Association, has about 300 members. This gives us an idea of the strength being brought to the Canadian market by the Canadian industry.

Government Orders

This strength has not been there by a wish or by a magic wand. The strength of the Canadian magazine industry is in fact predicated upon 30 years of actions and 30 years of considerations by the federal government. It began with a study that is known as the O'Leary royal commission and went on to be studied later in the 1960s by Senator Davey, who is still of course in the upper chamber, who looked at the problems in the Canadian communication industry.

It is not simply a case of taking a look at one segment or the other. I was happy to see that the hon. member got a chance to meet the broadcasters and talk to them about some of their ambitions. He too probably heard from the Canadian Broadcasters' Association about how proud they are of the regulatory regime, which allowed companies like CanWest to grow and prosper.

Mr. Monte Solberg (Medicine Hat, Ref.): No, actually they are not.

Mr. Walker: I can tell the hon. member from many conversations with the people from CanWest that they would not exist if a licence had not been given to them by the Government of Canada.

The regulatory framework set up by this government in previous times is what makes it possible for that industry to get together on an annual basis. We are very proud as Liberals of the contribution we have made. Those people, because of the base they have in Canada, have gone off now to compete with the world. But we do not compete with the world until we have a company, and we do not have a company until we have a regulatory base. They did not have a regulatory base until they had a good Liberal government. It is as simple and as straightforward as that.

In the publishing industry the key thing to remember, which has not been pointed out perhaps enough in this debate, is that subject to questions of pornography and so forth, any magazine that wishes can enter the Canadian market and be circulated and read. It does not matter whether they are coming from the American market, from the European market or anywhere else in the world. They can come into Canada, put it on the newsstand, set a price, and people read it. That is competition.

What Canadian publishers have worried about and we as a government have worried about for the last 30 years is the ability of larger companies to use the strength of their organization to undercut the advertising market within Canada. We were convinced originally when we set out these measures that certain protections were needed for the Canadian industry. As a result of the steps we took we have seen an industry flourish. We have seen people have careers in writing. We have seen Canadian subjects come up. We have seen a great deal of research done. We have seen magazines make a profit and we have seen a

whole new set of publications that simply were not available to the Canadian reader before that.

From time to time governments have to review their structure to make sure they are up to date with technology. The broadcasting industry is changing dramatically and quickly because of changes in technology dealing with direct broadcasting techniques, new uses of cable, new uses of the telephone system. We are working hard with the CRTC to keep up with these changes. In fact the government just appointed a commission to look at digital television to see the impact it may have on communication systems.

We have a change in technology, which made the regulatory framework we were involved with obsolete. I am not going to speak to the motivation and whether it was done by happenstance or whatever, but somebody saw an opportunity to come into the market and make use of a split run to affect negatively the advertising dollars available to the Canadian industry.

We did not move on this quickly. The last government set up a task force. The last government announced publicly that it was concerned about what had happened, that it was likely to make changes. That task force met, studied the issue for close to two years and made public its recommendations. Perhaps later I will come to those recommendations. It suggested that the government update its regulatory framework to take into account the new technology. That is what the nature of Bill C-103 is. It is an updating of a strategy that has shown itself to be very positive, very influential and supportive of the Canadian publishing industry. Those who know Canadian publishing know it is not an industry that creates tremendous wealth. It is not one in which there are moguls involved in huge companies. They are very much small shops in Canada where people take a great deal of pride in their magazines.

(1520)

I have a very close friend whose magazine unfortunately did not go as far as he would have liked it to have gone, but the love of that magazine captured his life for a couple years. He enjoyed trying to strike out a market and see it published. Among his friends there is a little club of people with failed magazines. It is a proposition that is enticing and daunting at the same time. People lose a lot of money in magazines. At the same time, the desire to nourish along a project and the desire to build something unique in the Canadian market is something we admire as a government. We did not want to see practices emerge that in fact made it more difficult to survive and the publication industry more fragile.

I was struck by the arguments put forward by the Canadian Magazine Publishers' Association when they appeared, I believe two weeks ago, in front of the finance committee. Their arguments were coherent and logical. They understood their responsibility in terms of a product people will read.

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Everyone in the House probably goes by a news stand on their way to the airport to go home for the weekend. They probably pick up some sort of magazine. I do not think any of us would stop and not buy something because it was from another country. I do not think we would say as a government we do not want to see these publications, not at all. If we look at the news stands we see there is easy access to magazines from other countries right in front of us. I think we should remember that. We should not raise the spectre that somehow the government has arbitrarily taken away the right to distribute a magazine in Canada or the right to make profit out of this Canadian market.

I will bet there are many Canadians, including myself, who regularly buy magazines from other countries and do not think twice about it because of the news and perspectives they bring us.

Simply stated, without Canadian advertising there would not be a Canadian magazine industry. Therefore, we have to make sure there are opportunities for those advertising dollars to be accessed by the Canadian publisher. That is the intent of this act and will continue to be the intent of this government in support of the industry.

In speaking directly about the amendment to Bill C-103 as proposed by the member for Medicine Hat, let me make the following comment. Motion No. 3 would prevent the application of the proposed excise tax on split run editions altogether. This motion is therefore inconsistent with the vote of this House to adopt the ways and means motion and the approval in principle given to the bill by the House at second reading.

By debating the imposition section of the tax on split run editions this motion fails to recognize the important objective the split run tax is intended to achieve. In particular, the tax will update the government's policy instruments in support of the Canadian magazine industry and therefore allow the government to support the continued existence of a viable and original Canadian magazine industry. That is why we are sticking by our original intent in this and will not support this motion.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, I rise to speak to Motion No. 3, but I do want to comment on a couple of things that were said earlier this afternoon by the member for Don Valley West and the member for Rosedale. They both talked about how our Canadian magazine industry would not be able to compete if they did not have some type of protection. I reject that notion. They are talking about national security interests. They are talking about how we will be dominated by the United States because it is so much bigger and has so much more economy of scale.

(1525)

My colleague from Medicine Hat talked earlier about other experiences with free trade. When we entered into a free trade agreement with the United States we heard the argument over and over that many of our industries would take a mortal hit and not be able to compete.

We know this government was not in favour of the free trade agreement. It did a flip-flop at the last minute. Now I really question their sincerity about their commitment to free trade.

What is the experience with other industries? My colleague spoke about the wine industry and how well it is doing. I can tell members about agriculture, the industry I have some knowledge of.

Our biggest fear is the destruction of an industry. We are hurt far more from subsidies and protectionism than we are from making trade rules that let us compete internationally on a basis of fair play. We think we can compete a lot better on the basis of quality product than we can on the basis of having to subsidize, because we cannot compete with the treasuries of other countries. Canada is simply too small.

When we talk about security, what about agriculture, food supply security? Do we need regulations to protect that? We have found that we do not. The cattle industry is a good example. There was a big fear that the cattle industry in Canada would be basically decimated with free trade. What is our experience? Since 1988 we have had something like a 40 per cent increase in cattle sales to the United States.

We can do very well on the basis of a level playing field and free trade. Our cultural industries can also do very well. They can compete head to head. We have to produce a quality product to do that, but we are up to it.

The amendment we are talking about today strikes out the section of the bill that would impose an excise tax on periodicals equal to 80 per cent of the value of their advertisements. Our amendment goes to the heart of the bill and strikes out its most offensive part. It is assumed that this excise tax will never be collected because it will effectively kill the Canadian edition of *Sports Illustrated* and any similar ventures that could be on the drawing board.

It is folly for this government to attempt to protect Canadian culture in this or any other manner. If our cultural industries produce quality products of interest to the Americans or any others around the world, let them go out and sell to those markets in whatever way they can based on the marketplace. I am confident they will be able to compete. If Canadians prefer to buy American culture products that have been spiced up with some Canadian content, by all means let them, but I do not think we should be using cultural protectionism here because it probably hurts our industry rather than helps it.

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The Speaker: Is the House ready for the question?

Some hon. members: Question.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say yea.

Some hon. members: Nay.

The Speaker: In my opinion the nays have it.

An hon. member: On division.

The Speaker: Motion No. 3 is negatived on division.

(Motion No. 3 negatived.)

Mr. Monte Solberg (Medicine Hat, Ref.) moved:

Motion No. 4

That Bill C-103, in Clause 1, be amended by replacing lines 18 and 19, on page 6, with the following:

“39. Where, before the date that this Act is assented to, a particular number of”.

He said: Mr. Speaker, it is a pleasure to rise and address Bill C-103, particularly this amendment.

This amendment is designed to delete the clause that really takes an arbitrary poke at one particular magazine, *Sports Illustrated*. The legislation is retroactive and most parliamentarians probably feel it is not a good way to approach these things.

(1530)

I want to say a little more about the principle behind protectionism and whether or not we can all of a sudden set aside a particular sector on the basis that it is somehow different, even though the facts show that it ain't necessarily so. We have seen this over and over again in all kinds of sectors of the economy.

When we discussed it in committee we raised the issue of the retail industry. One thing I pointed out was that we had contradictory ways of doing business. We have the retail sector and all kinds of American companies coming into the country and doing well. By the way, Canadian companies also go into the United States and do well because they are able to provide some value to the consumers in those markets. It may create a situation where people can go into a store and perhaps get something for less than they had been paying because somebody has seen they can make a profit by offering products for less. When that

happens consumers have more choice, better value and ultimately more money in their pockets as a result.

Let me apply the debate to what has happened with *Sports Illustrated*. *Sports Illustrated* was coming into the country. It was offering the advertisers a product that was at least competitive or perhaps even a little less than what Canadian advertisers were charging. That was despite the fact that *Sports Illustrated* did not have access to the tax deductibility provisions available to magazines that carry 75 per cent Canadian content. It was still able to offer extremely good value.

People will ask what that does for Canada. It allows advertisers either to get more bang for their buck through their advertising, thereby increasing the reach of their advertising message, or it allows them to improve their bottom line, to have more profit. What does that do for the country? If there is more profit of course there is more disposable income that can be spent on other goods and services. That is basic economics, economics 101.

Even though cultural product is difficult to define, I do not buy the argument that just because it is a cultural product we can throw the economic arguments out the window. They apply in every other sector and they certainly apply in the area of culture.

I encourage my friends across the way to remember that although culture is important we cannot go around suggesting that it runs by a different set of economics. That is not the case at all.

I have pointed out with respect to other Canadian cultural industries that given a chance they will prosper. They do not need government intervention. They do not need government protection. We see it over and over again, certainly in the cultural industries but in other industries as well.

It is a very arbitrary move to go back, to pick out SI in particular and to say it is not allowed to do that. Even going beyond that I would say it is time we truly had free trade in the country and truly applied it to the cultural sector. Canadians would take advantage and turn the tables on the Americans and the rest of the world because we have a superior product. We have the best artists, the best actors and the best writers in the world. They could do battle with any country in the world and not only compete but win.

I am asking the House to adopt the measure and ultimately defeat Bill C-103.

Mr. David Walker (Parliamentary Secretary to Minister of Finance, Lib.): Mr. Speaker, I appreciate the opportunity to speak on the last of the amendments proposed by the third party through the work done by the member for Medicine Hat.

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(1535)

The issue of split runs that we are talking about is very important to the country and, as I said earlier in the debate, has a historical context. One has to go back to the O'Leary royal commission in the early sixties and be familiar with the work of Senator Keith Davey. A decade later we dealt with the newspaper industry. Canada has constantly had to go back to look at the vehicles it should be using to promote its own culture.

This will not be an exclusionary role. This will not push away other meaningful cultures. We are very involved, for example, with the American culture. They are our best neighbours, as they have shown in recent weeks, and perhaps our most important ally in the world. It will also put into context that which we have to do within Canada to promote Canadian culture.

In so doing we try to make sure people from around the world feel welcome in our markets. If they have products they would like to distribute in the Canadian market, whether it be films, television, magazines or books, they are readily available to all Canadians.

In my former life I was an academic. Nobody more than somebody trained as an academic can feel the pressure of censorship, the pressure of not having access to information to make sure they can contribute to the dialogue in their disciplines, in the public and with our students. It is essential to have access to information that no one else has filtered.

The approach of the government is not in any way, shape or form to prohibit access to materials of benefit to Canadian sports fans. I know the Speaker has probably picked up an occasional *Sports Illustrated*. I have looked at the *New Yorker* cartoons to pass the time on a flight back to Winnipeg. These things we love to do and would love to share with other countries.

The Canadian magazine industry has been a particularly vulnerable and difficult industry. We are proud of the way it has responded to measures in the past 30 years and we hope it will continue to do so.

The cornerstone of our current policy as embodied in Bill C-103 is not the work of a group of officials working secretly in a department or of an industry led group trying to push through some protectionist measures. Rather it is a function as a result of the work done by a task force set up in 1993 by another government to deal with the issue posed by a Canadian edition of *Sports Illustrated*.

In chapter VII the task force talks about a renewed framework of support. Because this report is pivotal to our understanding of what we are trying to do, I thought I would take some time in the House to read some key paragraphs into the record so that we all understand why the government is proposing what it is proposing. In part it states:

Free speech would lose much of its potency if there were no Canadian magazines. Without the means to express a distinctive voice speaking to a Canadian audience, cultural expression, social cohesion and a sense of national destiny would be impaired, if not irrevocably damaged.

As part of their heritage, Canadians are doubly fortunate to have unparalleled access to publications from around the world. It is the task force's desire to maintain this freedom of choice, and the measures it is proposing do nothing to deny Canadians the right to purchase the magazines of their choice. We cannot make our borders impenetrable even if we wanted to, which we decidedly do not.

The object of the task force recommendations is not to discourage readership of foreign magazines, but to maintain an environment in which Canadian magazines can grow and prosper in Canada alongside imported magazines. This is a high-wire balancing act that the task force is attempting to accomplish.

The measures we are recommending are consistent with the broad principles of the cultural and media policies of successive federal governments since the 1930s. These policies have been developed in response to the fact that the cultural industries in this country—film, television, sound recordings, books and magazines—are largely dominated by foreign products.

If left to market forces alone, a day could arrive when Canadians would no longer enjoy the choice that they have today between foreign cultural products and those developed for the Canadian market. There simply would be no Canadian product because of the relatively small size and the vulnerability of our cultural industries.

(1540)

These are words of warning from a group that has spent a long time looking at the issue. It goes on to state:

The Government of Canada has adopted a variety of policies and measures to strengthen the viability of Canadian cultural producers: it promotes, for example, Canadian ownership and content in the broadcast media; it requires the review of investment by foreigners in businesses relating to Canada's cultural heritage and national identity; and it encourages Canadian ownership and original content in the newspaper and magazine industries.

The recommendations of the task force follow in this tradition, while at the same time seeking to ensure that Canada's rights and obligations under international trading arrangements, such as the GATT, the FTA and the NAFTA, are respected. We have also been careful to ensure that the measures we are proposing represent a proportionate response to the problems being faced by Canadian magazines, which have been outlined in detail in the body of this report. We are convinced that what is being proposed interferes as little as possible with freedom of expression or choice. Indeed, in the final analysis, we are seeking to expand choice by ensuring the continued availability of magazines with original content.

Later it concludes with the following:

Although favouring the development of original editorial content, regardless of country of origin, goes beyond the narrower focus of promoting only content of Canadian origin, the task force is of the view that, on balance, it is better to aim wide and comply with trade obligations by promoting original content than to target a narrow field and end up in protracted disputes with Canada's principal trading partners by promoting Canadian content alone. In other words, although it is quite obvious that the task force is concerned with the survival of magazines expressing a Canadian

perspective and view of the world, it believes that the best way to achieve that objective is to promote original content, regardless of country of origin.

By promoting magazines with original content, we will meet the objectives and at the same time meet Canada's international trade obligations.

In conclusion I will spend a minute on the specifics of the motion proposed by the member for Medicine Hat on behalf of the Reform Party. Motion No. 4 would allow split run periodicals distributed in Canada to be exempted from the split run tax based on the number of split run issues distributed in Canada during the 12-month period prior to the day the bill receives royal assent. The motion would therefore fundamentally alter the limited grandfathering treatment of split run periodicals distributed in Canada that is proposed in the bill and is therefore inconsistent with the vote of the House to adopt the ways and means motion and the approval in principle given to the bill by the House at second reading.

The motion ignores the fact that on two occasions in 1993 the government clearly warned magazine publishers that should they decide during the work of the task force on the Canadian magazine industry to undertake any new publishing activity that would contravene or sidestep the government's policy objectives for the magazine industry, they would be doing so at their own risk. The motion would also send the wrong signal in that it would reward magazine publishers whose actions, while not directly contravening tariff code 9958, offend the spirit of the legislation. For this reason the government opposes the motion.

Mr. Charlie Penson (Peace River, Ref.): Mr. Speaker, Motion No. 4 deletes the cut off date which qualifies *Sports Illustrated* from issuing split run decisions in Canada but allows others like *Reader's Digest* to continue. It is ironic that the government is bringing in legislation to cut off *Sports Illustrated* but it is going to let *Reader's Digest* continue with the same thing. Obviously *Sports Illustrated* is being unfairly targeted.

(1545)

Changing the date of the grandfathering provision allows *Sports Illustrated* to escape the provisions of the bill and averts the trade war that could result if *Sports Illustrated* is suddenly prevented from issuing split run editions.

It is true that Canadian culture was exempted under NAFTA's trade rules, but the Americans did retain the right to retaliate in kind if they so wished. The government believes that the Americans cannot and will not do that because the bill uses a roundabout way to protect Canadian periodicals. I think the government is wrong. Americans can make life very miserable for Canadian exporters in all kinds of ways and we may see that retaliation. They can do that whether it is justified or not, but in

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this case they definitely have the right to retaliate. Some other industry is going to bear the brunt of this ill conceived policy.

This bill should raise a red flag for the government. Even if the government does not have problems with the idea of this bill, it should at least recognize it as a provocation for a trade dispute and realize that the timing is all wrong. All we need is to get hit in another industry with retaliation because of what is happening with this ill conceived bill.

I support my colleague's amendment.

Mr. Réginald Bélair (Parliamentary Secretary to Minister of Public Works and Government Services, Lib.): Mr. Speaker, it is a pleasure for me to take part in this report stage debate.

Bill C-103 is one element in the longstanding policy supported by various governments in Ottawa. Governments long ago recognized the importance of the Canadian magazine industry and the affirmation of the Canadian personality. Allow me to take this opportunity to describe the background of the various measures put forward by the Canadian government in an effort to support the development of this major sector of our cultural industries.

The Canadian government has been concerned about the status and survival of the Canadian magazine industry almost since the beginning of the 20th century. Government's original concern was simply to ensure that Canadians had access to periodicals from around the world. It was a question of communication, in other words, the possibility for Canadians to have reasonable access to periodicals wherever they live.

[Translation]

Another major concern of the government, editorial content, came later. Initially, the aim of federal policy was to give Canadians an opportunity to enjoy and appreciate the arts, so the Canada Council was founded in 1957.

The emphasis was on the quality and quantity of the cultural product in Canada. There was no specific attempt to find out whether Canadian interests were involved in the creation or production of this product. There was no concern for culture in the broader sense, only for the arts. Since 1957, the Canada Council has supported periodicals of an artistic or scientific nature with subsidies, modest though they may be.

A third concern arose sometime before the Canada Council was created and has become increasingly important in the past 30 years. I am referring to the issue of Canadian content and Canadian cultural identity in the broader sense.

[English]

While we were concerned with promoting Canadian ownership and content, we realized that we must not close the door to foreign periodicals. We simply must prevent them from gaining too many advantages on the periodicals market in terms of economic advantages arising from intensive production,

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distribution, access to capital, or a well established reputation among Canadian readers. The key to this policy is advertising and postal distribution.

Thanks to legislative measures implemented progressively pursuant to the recommendations of the 1961 Royal Commission on Publications, commonly known as the O'Leary commission, and the 1970 Special Senate Committee on Mass Media, magazines printed in other countries were prevented from entering Canada when they contained advertising directed specifically at the Canadian market. Canadian advertisers were thus encouraged to place ads in Canadian magazines.

(1550)

[Translation]

I would like to elaborate on the role played by the O'Leary commission in identifying measures to promote the development of the Canadian periodical industry. In 1961, only 25 per cent of the magazines distributed in Canada were Canadian. It became imperative for the Canadian government to do something about this situation. This led to the appointment of the Royal Commission of Inquiry on Publications.

Following a long series of hearings and extensive research, the commission was able to assemble all the elements it needed to establish the status of the Canadian periodical industry in the early sixties. It was clear that the industry was facing serious problems and that the government had to act. Members of the commission found that between the two sole sources of magazine revenue, circulation and advertising, there was a durable and mutually beneficial symbiosis which they defined as follows, and I quote:

“Behind all this is an important spiralling action, fundamental to periodical publishing; the larger a periodical's circulation, the more advertising it can attract; the greater its advertising revenue, the more it can afford to spend on editorial content; the more it can spend on editorial content, the better its chances of obtaining more circulation.”

It became clear that advertising revenue was essential to the Canadian periodical industry. Consequently, the government decided to do what was necessary to channel Canadian advertising revenue to Canadian periodicals. The development of a policy for this purpose was instrumental in creating a strong financial basis for the industry.

Section 19 of the Income Tax Act was adopted in 1965 and became one of the main tools for implementing the federal government's policy on magazine publishing. According to this section, only purchases of advertising aimed at the Canadian market and inserted in Canadian periodicals were tax deductible. This section also provided that to be eligible for the tax deduction, the taxpayer had to advertise in a magazine with at

least 75 per cent Canadian ownership and a ratio of original editorial content of at least 80 per cent.

[English]

Second, the members of the Royal Commission on Publications recommended that foreign periodicals containing advertising intended for the Canadian market should be denied entry. Customs tariff code 9958 was created in 1965 pursuant to this recommendation. Since these measures were implemented, Canadian magazines have multiplied and diversified.

In 1959, before the introduction of these two measures, Canadian magazines represented 23.3 per cent of the magazines distributed in Canada. The proportion rose to 29.9 per cent in 1971 and 39.4 per cent in 1981. In 1992 Canadian magazines represented 67.6 per cent of the magazines distributed in Canada.

These mechanisms must now be updated in response to the advent of new technology in recent years. The electronic transmission of proof pages produced in other countries for printing and distribution in Canada was not envisaged when these policy instruments were designed in 1965.

The need to modernize government structural measures became particularly clear in January 1993 when Time Warner officially announced its intention to publish *Sports Illustrated* in Canada. In an effort to avoid the application of tariff code 9958, Time Warner chose to print *Sports Illustrated* in Canada using editorial material transmitted electronically from the United States. This situation demonstrated the existence of a loophole in our structural measures and the urgent need to update the Canadian policy on magazine publishing.

(1555)

[Translation]

On March 26, 1993, the government announced the creation of a task force responsible for reviewing the various issues affecting the Canadian magazine industry, including its trends and evolution, the Canadian advertising market, the impact of technological progress, the international aspects, the regulations, and the effectiveness of current policy implementation measures.

The government wanted to ensure that the measures taken to promote the development of this industry were up to date and effective. These measures included Customs Tariff Code 9958 and section 19 of the Income Tax Act mentioned earlier.

Barely two weeks after announcing the creation of the task force, the government said that this task force on the Canadian magazine industry would have two joint chairmen and would be composed of volunteer experts representing Canadian magazine publishers, advertisers, consumers and the legal community.

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The joint chairmen of the task force on the Canadian magazine industry, Patrick O'Callaghan, journalist and former editor at Southam Press, and Roger Tassé, former deputy minister of justice, carried out their mandate with the help of a group of seven volunteer consultants representing all regions of the country. They came from the advertising industry, consumer associations and the Canadian magazine industry; some even had some experience in international trade.

This review of the measures in place to help the Canadian magazine industry was aimed at proposing other measures that would enable the government to meet its political objective of making Canadian information and ideas accessible to Canadians through truly Canadian magazines.

[*English*]

In March 1994 when the task force on the Canadian magazine industry submitted its final report, the government again acknowledged the valuable contribution the Canadian magazine industry makes to our economy, our culture and our heritage. On December 22, 1994 the government announced its response to the recommendations contained in the final report of the task force on the Canadian magazine industry. The government indicated then that it would address all of the task force's recommendations, including the recommendation for a new excise tax on all split run magazines containing advertising directed at Canadians.

[*Translation*]

The government then stated that an excise tax would be imposed on each copy of a split run edition at the rate of 80 per cent of the value of all the advertisements contained in the edition. Periodicals that would otherwise be subject to the tax are exempted from the tax based on the number of split run editions that were distributed in Canada before March 26, 1993, when the creation of the task force was announced.

Finally, this bill demonstrates the federal government's continued commitment to promote the growth of a Canadian magazine industry that is viable, original and dynamic.

[*English*]

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, it is a pleasure to speak on Bill C-103.

Bill C-103 will play a major role in maintaining a vibrant and flourishing Canadian magazine industry. I would like to present the House with the broader perspective of the government's ongoing commitment to this industry. This bill should be understood in the context of the long established tradition of government support to the Canadian magazine industry as well as the industry's contribution to the economy.

Most important, in a country where natural geography makes communications difficult, magazines play a key unifying role. Canadian periodicals are an essential medium of cultural expression for Canadians. They serve as channels for conveying Canadian ideas, information and values. They are an integral

part of the process whereby Canadians define themselves as a nation. Moreover, beyond the direct social and cultural impact of the Canadian magazine industry there are sizeable indirect effects which contribute to the smooth functioning of the Canadian economy.

(1600)

Canadian publications, both consumer and business, inform, educate and entertain but they also are an important advertising vehicle for Canadian products and services. While it is true there are other mass media which can reach consumers, the Canadian trade press fills a unique role in the economy by providing an affordable marketing tool for Canadian business and industrial suppliers.

These producers and services often face stiff competition from foreign companies which reach Canadian customers through spill-over advertising in American trade periodicals. In the absence of an active Canadian trade press reaching Canadian customers, an important segment of our economy would be left without a major communications and advertising vehicle.

Unfortunately Canadian magazines are confronted with a series of unique challenges: massive penetration of the Canadian market by imported magazines; the relatively small size of the Canadian population and its dispersion over a vast territory; the openness of Canadians to foreign cultural products; the effect of cover prices of imported magazines on the Canadian price structure; the impact of overflow advertising on the potential advertising market in Canada.

Even if the magazine industry has flourished culturally with over 1,300 titles, its financial position is fragile, with overall pretax profits of less than 6 per cent on revenues of \$795 million in 1993-94.

In my opening remarks I mentioned the Canadian government has supported the domestic magazine industry and will continue to do so for many reasons. The principal reason is the importance Canadians place on having a means of expressing their unique identity and the difficult and challenging environment which the Canadian magazine industry faces.

The need for structural measures of support for the Canadian magazine industry has long been recognized by successive Canadian governments. Over the years a number of policy and program instruments have been designed and put into place which help to ensure the development of the Canadian magazine industry while not restricting the sale of imported periodicals in Canada.

Among them, the publications distribution assistance program, better known as the postal subsidy program, is one of the earliest nation building programs. It is designed to unify a country where natural geography makes communication difficult. Its main objectives are to support Canadian cultural identity and sovereignty, to ensure affordable access to subscriptions for Canadian periodicals and to provide stability in the level of distribution costs for Canadian periodicals in order

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to permit publishers to develop and implement long term business plans.

Canadian consumer magazines have limited access to Canadian news stands. Less than one-quarter of Canadian magazine circulation revenue is derived from news stand sales. As a result, the industry relies on subscriptions to reach its audience. The postal subsidy, which finances concessionary postal rates for Canadian magazines, has been an important instrument in helping the industry to reach its market.

In 1989 this program was subjected to a cut of 50 per cent, from \$220 million to \$110 million, as part of a larger government-wide exercise to reduce public expenditures. I am pleased to say that in developing a plan for the implementation of the cut, a decision was made to focus support on subscriber paid periodicals versus non-paid or free publications. Furthermore, it was believed that periodicals, which typically have a national or regional focus and rely exclusively on mail distribution, should take priority over local publications which have alternative means of distribution.

As a result, the most vulnerable component of the industry was protected then and also more recently when the government had to reduce once again the amount of available funding. For the past two years we have limited the increase of the subsidized rates to 5 per cent a year. Therefore the postal program still enables Canadian magazines to reach rural or remote readers at a reasonable cost.

Fiscal measures provide another useful tool to support the magazine publishing industry without investing a considerable amount of money. Two fiscal measures encourage Canadian advertisers to use Canadian magazines to reach Canadian readers. The first measure, section 19 of the Income Tax Act, has been in place since 1965. For advertisements aimed directly at the Canadian market section 19 limits tax deductions of advertising expenditures to advertisements placed in Canadian magazines. A Canadian magazine is defined as one which is 75 per cent Canadian owned and controlled and whose editorial content is 80 per cent different from the editorial content of any other periodical.

(1605)

The second measure is customs tariff code 9958. Tariff code 9958 prohibits the physical importation into Canada of split runs or special editions of periodicals whose editorial content is substantially the same as the original edition except for the advertising which has been purchased especially to reach a Canadian audience.

Until recently the tariff code dissuaded offshore magazines from soliciting advertising in the Canadian market. Moreover, it succeeded in doing so through voluntary compliance. These fiscal measures were put in place to ensure that the Canadian magazine industry had access to Canadian advertising revenues. There is no evidence that our current policy has made the Canadian industry any less efficient or less profit conscious than its foreign counterparts.

Financial support is provided to a number of cultural and scholarly publications through the Canada Council, the Social Science and Humanities Research Council and through a modest distribution program administered directly by the Department of Canadian Heritage.

Another initiative is the cultural industries development fund which was established in 1990 with a budget allocation of \$33 million. Its mandate is to provide Canadian owned and controlled firms within the cultural industries with a range of flexible financing services with an emphasis on investment loans.

The CIDF was created in order to make loan money available to Canadian owned and Canadian controlled cultural firms to compensate for the shortage of capital available to Canadian cultural businesses and to improve their financial situation, the intention being that these firms will achieve a sound financial base through the fund and thereby be eligible at some later date for conventional bank financing. The fund was established to reinforce and stimulate the growth of Canadian cultural enterprises which have proven to be dynamic and which have demonstrated their ability to improve their competitive position in the marketplace.

The magazine industry is an active user of the cultural industries development fund, having set up a travelling consultant program in addition to accessing loans through the fund.

The reluctance on the part of financial institutions to create a new financing instrument, the degree of risk involved and the perceived low earning potential of the magazine industry justify the government's establishment of mechanisms such as the CIDF. With more than 20 per cent of the loans awarded and a repayment rate of more than 90 per cent, the magazine industry has demonstrated its professionalism and its managerial expertise.

We can conclude that all of these federal measures have served the industry well. However, with the arrival of the new technological contribution to an increasingly competitive marketplace Canadian businesses must adapt to those market changes and secure and invest new capital in order to bring themselves up to date with modern technology. It is the government's role to review its initiatives and to make sure they still correspond to the new market realities.

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Technology has progressed far beyond what could have been foreseen in 1965 when the tariff code 9958 was introduced as a measure of the government's support for the Canadian periodical industry. New technological developments have changed the dynamics of the publication industry. For example, it is now possible to transmit information electronically. Thus it is now possible to bypass international borders and circumvent tariff code 9958.

The proposed amendments to the Excise Tax Act will contribute to maintaining the integrity of Canada's longstanding policy on split runs. The proposed amendment to the Income Tax Act will add an anti-avoidance rule to section 19 of the act. The purpose of this provision is to ensure that newspapers and periodicals that claim to be Canadian are Canadian owned and controlled for the purposes of the act.

The Canadian government has been consistent. Its magazine policy has not changed. What the federal government is doing with these amendments to the Excise Tax Act and the Income Tax Act is modernizing its policy instruments. In this way the entire range of government policy and program instruments can better achieve the overall objective of a vital and flourishing Canadian magazine industry.

(1610)

Ms. Mary Clancy (Parliamentary Secretary to Minister of Citizenship and Immigration, Lib.): Mr. Speaker, I am very happy to take part in this debate today because Bill C-103 is one of the many measures the government has over time designed to assist in the development of Canada's cultural industries.

It is very important that we ensure Canada's cultural industries develop to their fullest. This is an area I have had a great deal of interest in since I became a member of Parliament seven years ago.

In the last Parliament as deputy critic for Canadian culture, I sat on the relevant committee and worked with the hon. member for Mount Royal, now the Secretary of State for Multiculturalism and Status of Women, in these areas and with other members on a number of reports that talked about safeguarding our cultural industries.

It is interesting to note with our colleagues from the Bloc today that whatever our differences may be, all Canadians within and outside Quebec, agree that with our linguistic, regional and geographic differences it is very important that our very special culture in French and English be protected and that our federal government do everything possible to protect that culture.

Public policy for cultural industries has always operated on two premises. The first is that cultural products are important as a transmitter of social identity. The second is that it is difficult

for the Canadian market to generate economically viable cultural enterprises.

Nobody knows this better than I. I once said I was going to have a sign made that said "pariah: do not appoint to arts boards". In my small region of Atlantic Canada I have served over the years on practically every arts endeavour and cultural endeavour that has gone belly up because we did not have the people or the money to keep it going.

It is terribly important that the federal government take a hand and ensure cultural industries do not die aborning because of regional disparity, small population, small markets, et cetera.

Policy is focused on supplementing the domestic markets' internal capacity to generate revenues with financial and institutional tools. These tools are an attempt to ensure a minimum choice of indigenous cultural works alongside the overwhelming presence of foreign ones.

In the area of magazine selection, in any store that sells periodicals and magazines Canadian periodicals are overwhelmed by sheer numbers of those that come from our neighbour to the south. It is a fine statement that they are not overwhelmed in content or in standard but merely in numbers.

As our cultural enterprises matured and in many cases became more self-sufficient, the government developed and refined the legislative and regulatory framework, the third set of tools within which these enterprises could further prosper and compete at home and abroad.

The challenge for all of us is for government to monitor and review its policies and make amendments or realignments when these are required. Today clearly, as the explosion of technology takes place all around us here in Canada and around the world, characteristics that define the current environment are challenges that confront our cultural sector.

First, the removal of international barriers to trade generates increased competition in production and distribution of cultural goods and services and global markets.

Second, the vertical and horizontal integration of conglomerates operating on a world scale is having a profound impact on the content of cultural products made available to consumers.

(1615)

Third, the convergence between information transmitters and the producers of the content they transmit is leading to an explosion of new types of goods and services available to an ever increasing number of consumers.

Take the first challenge as an example, the removal of trade barriers and increased international competition. In this area the impact cannot be underestimated. Access to production and distribution networks is paradoxically becoming both easier and more challenging at the same time.

Government Orders

Technological innovation has rendered electronic distribution of content available to increasing number of creators but the costs associated with marketing, promotion and distribution both in domestic and international markets challenged the ability of creators to exploit their new market potential. We cannot underestimate the impact of such issues as control over technology, control over access to distribution networks and the capacity of governments to regulate the flow into domestic markets of cultural products distributed electronically from abroad. Most of us are fully aware of this in our own homes on a daily basis.

Sports Illustrated Canada is a case in point. I am sorry my hon. colleague from Prince Edward Island cannot agree with me on this. We talked about *Sports Illustrated* a few minutes ago. For almost 30 years the policy tool designed to regulate the importation of magazines containing advertising aimed at Canadians worked well but it is technologically specific in that it addresses the physical importation of foreign magazines today. *Sports Illustrated* is not physically imported but beamed across the border to a printing plant in Ontario.

Our cultural sector has reached a level of economic maturity that will allow it to compete in domestic and international markets but only if it can operate within a legislative and regulatory framework that will encourage its continued development. That is why we have Bill C-103.

The government has reached the point at which it has to update its policy for the magazine industry because of such developments as the beaming of *Sports Illustrated* to a printing plant in Ontario. It is a logical evolution in our policy instruments and it is a necessity to protect our investment in cultural industry.

The bill demonstrates the federal government's continued commitment to the development of the Canadian magazine industry which is viable, original and dynamic.

Since 1965 there have been two legislative measures in place, section 19 of the Income Tax Act and customs tariff code 9958. The objective of both measures was to ensure an adequate flow of advertising revenues to support a vibrant Canadian periodical industry. We need to make sure Canadians have the opportunity to read their own magazines at home, to reflect upon the ideas that are home grown and home developed in this country, to ensure our culture remains strong, our sense of Canadianism and Canadian identity remains viable.

Until the *Sports Illustrated* case, the instruments put in place by the federal government were not as successful. However, we have a loophole that needs to be plugged. This loophole has been exploited by *Sports Illustrated* over the last two years. Tariff code 9958 applies only in cases in which split run editions are physically imported into Canada. As I mentioned before, *Sports*

Illustrated got around this by electronically beaming the magazine to a Canadian printing plant.

I suppose this is a case in which the letter of the law may have been upheld but the spirit of the law was being violated. Fortunately the federal government has made a concerted effort and come forward with these amendments to change the situation so that *Sports Illustrated* can no longer circumvent the true spirit as well as the letter of the law.

The amendments to the Excise Tax Act take into consideration that the task force on the Excise Tax Act issued its final report in March. Its main recommendation was that excise taxes be imposed on split run editions and periodicals. The tax is designed to encourage original editorial content in magazines containing advertisements primarily directed at Canadians. It will impose a tax of 80 per cent of the value of all advertisements contained in split run editions of magazines circulating in Canada. That encourages Canadian advertisers to place advertisements in magazines which have original content. It reiterates the government's longstanding policy objectives in a manner consistent with our international trade obligations.

(1620)

The amendment to the Income Tax Act will add an anti-avoidance rule. The purpose of the anti-avoidance rule is to ensure newspapers and periodicals that profess to be Canadian are controlled by Canadians.

Canadians throughout history have formed their own identity, that mosaic unique to this land and its people. In their periodic re-examination of cultural policies, Canadians are continually discovering and defining what Robertson Davies has called our national soul.

In the past couple of days our national soul has gone through quite an experiment but has come through and come out the other side. As we stand here today reaching out to each other and remembering what a joy and a benefit it is to be a Canadian, I am proud that our government is doing the nuts and bolts with the emotions to make that possible.

Mrs. Brenda Chamberlain (Guelph—Wellington, Lib.): Mr. Speaker, Bill C-103 is a cultural policy measure designed to assist in the development of the Canadian magazine industry. It is one of many federal government's efforts to foster conditions under which Canada's artists and creators can continue to express themselves and give Canadians and the world a sense of our identity as a country, an identity which has been enhanced by the events of the past week.

By culture I mean the creators, producers and distributors of films and videos, books and magazines as well as broadcasting, the performing and visual arts, design and the vast array of heritage institutions across the country.

Government Orders

While I use the term cultural policy in the singular, Canada does not have a single policy respecting culture. Rather, a series of policy directions has been pursued by federal governments throughout time. In this sense cultural policy has been wrought by governments of the past and present based on a rationale which has remained relevant since the beginning.

The rationale for the state's involvement in the cultural sector in Canada is important to understand because it is more valid today than it was in the 1920s when it was for the very first time expressed. This rationale is made up of essentially two philosophies.

The first is that a cultural product that is a work of artistic expression in any form is a good that cannot be treated in the same fashion a hammer, a nail or a widget. Why? Because a cultural product, unlike a widget or a gismo, transmits a set of values rooted in the society in which the artist who created it lives. The product of an artist's expression often acts as a mirror into which society can look for greater understanding of its sense of identity as an organized social group. It allows a society to distinguish itself from others on the planet. It defines and transmits that identity which is unique.

Canada and most other industrialized countries have actively pursued some form of cultural policy which seeks to encourage our own native cultural expression.

The number and range of magazines reflect the concerns and tastes of Canadians. All regions and most large metropolitan areas boast their own magazines. There is a Canadian periodical to serve almost every interest group, economic, professional, artistic, educational, religious or recreational.

(1625)

Magazines let their readers see behind the scenes of business and politics. They increase national understanding of regional issues and translate national issues into meaningful regional terms. They exalt Canadian accomplishments, profile the great and the small, as well as Canadians who at home and abroad make a difference in our everyday lives.

The second premise on which state involvement in the cultural sector in Canada is based is that in order to produce cultural works, a domestic market of a size that will allow costs to be recouped is a requirement.

The Canadian market, split along language and regionally fragmented, has never been large enough to sustain on its own a healthy cultural industry sector. This has been made more difficult by the overwhelming presence of foreign cultural product, first British and French and then American in our domestic markets. Hence early on Canadian public policy focused on supplementing the domestic market's internal capacity to generate revenues with the financial and institutional tools required to ensure minimum choice of Canadian cultural works alongside the overwhelming presence of foreign ones.

These two premises, the intrinsic merit of a cultural product in transmitting identity and the inability of the Canadian market to generate economically viable cultural enterprises, prompted the Government of Canada to develop policy tools to assist the cultural industries.

The tax measure we have before us today updates a longstanding policy of successive governments which recognizes the unique circumstances faced by Canadian magazines.

The policy implemented in 1965 introduced two measures to assist Canadian magazines in competing for advertising revenues, revenues which are essential to the industry's survival. These measures were section 19 of the Income Tax Act and tariff code 9958. Bill C-103 maintains this policy put in place over 30 years ago.

Tariff code 9958 restricts the importation of magazines containing advertisements directed at Canadians. It authorizes Canada Customs to stop the entry into Canada of the subsequent four issues of a magazine after the publication of an issue that has been deemed split run. Before this measure was introduced virtually all foreign magazines containing advertisements directed at Canadians would have been printed in the country of origin and imported into Canada for distribution.

The publication of *Sports Illustrated* Canada has sent a signal that it now is possible to contravene the spirit of tariff code 9958 by means of technology which was not in existence when the code was implemented.

Sports Illustrated Canada is a split run edition printed in Canada using text that is electronically transmitted from the USA. The editorial content of *Sports Illustrated* Canada is to a large extent the same as the content in the U.S. editions but it contains advertisements that have been specifically purchased to reach a Canadian audience.

Tariff Code 9958 is not applicable to *Sports Illustrated* Canada because it is printed in Canada rather than being imported. This case illustrated the limitations of Canada's existing policy instruments designed to support the Canadian magazine industry.

Consequently a task force on the Canadian magazine industry was set up to examine the problem of split run editions and to recommend new ways to promote Canada's policy objectives for the magazine industry.

Concerning amendments to the Excise Tax Act, the task force issued its final report in March 1994. Its main recommendation was that an excise tax be imposed on split run editions of periodicals.

The tax is designed to encourage original editorial content in magazines containing advertisement directed primarily at Canadians. It will impose a tax of 80 per cent of the value of all of the advertisements contained in split run editions of magazines circulating in Canada.

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(1630)

This measure encourages Canadian advertisers to place advertisements in magazines which have original content. It underscores the government's longstanding policy objectives in a manner which is consistent with our international trade obligations.

Section 19 of the Income Tax Act allows deductions for advertising directed at the Canadian market, only if the advertising is placed in Canadian issues of Canadian owned and Canadian controlled magazines.

The amendment to the Income Tax Act will add an anti-avoidance rule to section 19. The purpose of the anti-avoidance rule is to ensure that newspapers and periodicals which profess to be Canadian are in fact controlled by Canadians.

In conclusion, the government is concerned with creating policies conducive to the growth of the cultural sector. Readers are essential for magazines to prosper. So too are the other major clients of a magazine, the businesses and organizations which advertise their products and services.

Access to Canadian advertising dollars is critical to ensure the economic viability and continued existence of the Canadian magazine industry. Advertising revenues support the cost of the editorial content and make it possible for the publisher to provide the magazine at rates the reader can afford. Therefore, we must not allow split run editions to siphon off Canadian advertising dollars. We must ensure the passage of Bill C-103.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I am pleased to have the opportunity this afternoon to speak on Bill C-103. I believe I will be one of the last speakers on the bill.

This is a symbolic time to be dealing with Bill C-103.

[*Translation*]

In fact, the bill we are debating this afternoon deals with Canadian culture and ways of preserving it. I know that some members opposite—and I am directing my remarks to Reformers in particular today—have it that certain Canadian cultural industries for example do not need any additional protection.

[*English*]

I have spoken about this before in the House, both generally and more specifically. At a Canada-U.S. interparliamentary group meeting, a United States congressman indicated that the motion picture industry in Hollywood and elsewhere was a bit upset with Canadians because we had what they believed to be rather restrictive policies in that sector.

I believe it was the former hon. member for Annapolis Valley—Hants, Patrick Nowlan, who responded to the congressman. He said: "How would you feel if in your country 97 per cent of all the films were produced in another country and you could watch television for a day or movies for a whole weekend and never once see a scene from your country? How long would you put up with it?" The congressman said: "I guess you have a point".

The measures we were using at that time were in reference to another cultural industry, but they made the same point which is the fact that immediately to the south of us is a cultural giant. It is not a matter of our saying that our cultural industries, magazine publishers and so on are not competitive. It has absolutely nothing to do with that. It has to do with being overwhelmed by the giant to the south of us.

(1635)

My hon. colleague from the riding of Halton—Peel is an artist who has participated as an actor and performer in a number of productions. I do not say this disrespectfully, but the member for Halton—Peel surely knows a lot more about these kinds of issues than do many members of the Reform Party across the way. I am sure he would agree on the importance of protecting Canada's cultural industries.

[*Translation*]

I think there is something else, in the sense that some members of the Reform Party tend to give the impression that the cultural industry belongs exclusively to a kind of elite instead of belonging to everyone in our society. That is totally wrong. These people are trying to convey that idea, and I think that it does not reflect the Canadian reality.

Poetry, magazines, television programs, and music—how can I forget music—are all part of the Canadian culture, and in each of these areas there is a Canadian cultural industry, or at least a potential industry.

Today, we are debating this issue of periodicals, magazines published or produced in another country, electronically transmitted to Canada and duplicated in Canada in an attempt to circumvent Canadian legislation. Reformers say that cultural industries can do like other Canadian industries and operate without anything to protect them in case they have to compete with foreign products.

[*English*]

I see it this way. The members of the Reform Party are looking at the cultural industries as if we were strictly discussing a commercial product, in other words, whether or not someone can produce a hammer in Canada cheaper than in the United States. That is not the issue. South of the border there is such immense potential for news and for drawing advertising. There

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is absolutely no parallel in Canada. The economy of scale in those kinds of industries operate very differently from what they do in other areas of human endeavour.

Members across the way just will not hear that kind of a proposition. They should because if ever there was a time in the history of this country where we should all rally around those instruments of Canadian culture that could bind us together, surely it is today. Surely today of all days we should be reminding ourselves of the necessity for keeping those instruments which enhance, highlight and make people aware of that which makes us different from other nations and which makes us Canadian.

It could be books. We have a number of very good Canadian authors. There are a number of very good publishing houses in Canada, many of them small. As a colleague reminded us awhile ago, some of these small publishing companies have been assisted by what is commonly referred to as the postal subsidy. It has assisted small publishing companies in putting out very excellent works by Canadian authors. What is wrong with that? Why will members of the Reform Party not see that those things are important and especially important today of all days? They do not understand any of that.

Mr. Ramsay: We are not socialist.

Mr. Boudria: Mr. Speaker, I have been called many things but not often have I been called a socialist. Reform Party cultural gurus across the way are now accusing me of being a socialist. I find it a little ironic, particularly in view of what has been said by Reform Party members in the past about Canadian cultural industries and how they should be promoted by the Government of Canada.

(1640)

I have the little green book of the Reform Party. I am trying feverishly to find a page which refers to the Canadian cultural industries. Perhaps I will a little later.

Some people in the Reform Party are now saying that promoting Canadian culture is somehow tantamount to socialism, and they are repeating it now. I do not think it is a particularly nice thing to say about their leader. He said the same thing not long ago. I have it in the little green book. I will defend the leader of the Reform Party against those vicious attacks from the backbenchers any time. His backbenchers need to be reminded to be more respectful of the hon. member from Calgary, the leader of that party. The leader of the Reform Party needs all the help he can get. Shall we say he is in a pretty tough spot.

[*Translation*]

I would like this House to know that today, we should all support cultural initiatives, any initiative designed to promote

Canadian culture. The Canadian book and magazine publishing industry is certainly one that deserves the support of this House.

[*English*]

Other countries are not at all shy about supporting their cultural industries. Anyone who has ever visited France and who has seen the amount of effort put into promoting and preserving heritage sites, promoting culture, promoting art and so on, would know a tremendous sector of that nation lives from that alone. That is not true of that country alone, although in terms of western societies it is probably the country with more in the way of art and promoting those fields of human endeavour than any other.

We could take other examples. I am told the largest museum in the world is in Russia, in St. Petersburg I believe. That country has a very different kind of regime, one opposite to the country I was talking about previously, but it also saw fit to protect some of its cultural goods and property.

The Smithsonian Institute is another example of that, certainly not located in a socialist country. It is located in a country that is very different.

I want to end with the following immortal words: "The Reform Party supports the responsibility of the state to promote, preserve and enhance the national culture. The state may assist and should encourage ethnic culture to integrate into the national culture". I do not know if I agree with that part but in any case that is the quotation from no less than the leader of the Reform Party, who has just been accused of being a socialist by his own backbenchers.

The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

(1645)

The Acting Speaker (Mr. Kilger): The 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 Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the nays have it.

Some hon. members: On division.

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(Motion No. 4 negatived.)

Hon. Ethel Blondin-Andrew (for the Minister of Finance) moved that the bill, as amended, be concurred in.

The Acting Speaker (Mr. Kilger): Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Kilger): According to Standing Order 45, the whip has informed the House that the vote has been deferred until 5 p.m. this day.

* * *

MANGANESE BASED FUEL ADDITIVES ACT

The House proceeded to the consideration of Bill C-94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances, as reported (without amendment) from the committee.

SPEAKER'S RULING

The Acting Speaker (Mr. Kilger): I would like to make you aware of a ruling by our Speaker on Bill C-94.

There are two motions in amendment standing on the Notice Paper for the report stage of Bill C-94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances.

Motions Nos. 1 and 2 will be grouped for debate but voted on separately.

MOTIONS IN AMENDMENT

Mr. Paul Steckle (Huron—Bruce, Lib.) moved:

Motion No. 1

That Bill C-94, in Clause 9, be amended by replacing line 27, on page 3, with the following:

“(d) the use that is made or is to be made of it;”.

Motion No. 2

That Bill C-94, in Clause 10, be amended by replacing line 45, on page 3 and lines 1 and 2, on page 4, with the following:

“of its completion, file a report”.

He said Mr. Speaker, it is my pleasure to move an amendment this afternoon on Bill C-94.

According to the Order Paper, on the first amendment you will find that clause 9 of this bill will be amended by striking out line 27 on page 3 and substituting the following: “the use that is made or is to be of it”.

The reason for this amendment is that the clause as originally drafted assumes the controlled substance was used within 30 days of the transaction, which may not always be the case. In certain cases this product could be put in stock until its future anticipated use. For that reason, I moved the amendment. I believe it is a good amendment and I hope we have concurrence on that.

On the second amendment, I would ask of this House if we could have unanimous consent because of the fact that the amendment on the Order Paper has been further amended. I would like to read that amendment at this time if I may. I wonder if we could have unanimous consent for this amendment to be changed.

The motion would read this way:

That clause 10 of Bill C-94 be amended by striking out line 45 on page 3 and lines 1 and 2 on page 4 and substituting the following: “of each transaction under the authorization, file a report”.

(1650)

The reporting requirement as it is in the draft is too lax to allow for effective monitoring by the minister. As an example, if we follow the current draft it could be as much as 12 to 14 months after the transaction that a report is filed with the minister. This would be much too long.

Mr. Vena from Environment Canada agreed with the suggested amendment. Ms. Fry from the Department of Justice also indicated there was no rationale for the section as drafted, other than that this was an arbitrary line-drawing. Therefore I feel the amendment as I have placed it today is in order and should be supported.

I would therefore seek unanimous consent of this House for the amendment I have just presented.

The Acting Speaker (Mr. Kilger): The House has heard the terms of the intervention by the hon. member for Huron—Bruce. Does the hon. member have the unanimous consent of the House to make that substitution?

Some hon. members: Agreed.

Mr. Clifford Lincoln (Parliamentary Secretary to Deputy Prime Minister and Minister of the Environment, Lib.): Mr. Speaker, on behalf of the government I will concur with the first motion made by the member for Huron—Bruce. The addition of the words he has suggested puts in a much clearer perspective the issue of the 30 days authorization.

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In regard to the second amendment, it would have been the position of the government to refuse the amendment the way it was previously phrased. Now that it has been changed by making much more precise reference to each transaction authorized, we feel much more at ease with the amendment proposed by the hon. member.

To sum up, the government will concur with both the first amendment and also the revised second amendment. This is going to be our position.

Mr. Paul E. Forseth (New Westminster—Burnaby, Ref.): Mr. Speaker, I want to say a few words to the amendment put forward by the member for Huron—Bruce.

The member had the opportunity to sit through the committee stage of this bill and hear the various witnesses who came forward. Had the member actually been listening to what the majority of witnesses were saying during the committee, he would not have been bringing forward amendments at report stage. He perhaps would have been speaking to the minister directly and encouraging the minister to scrap the bill.

Apparently the member was not at every committee meeting and as a result has brought forward two amendments, both technical in nature. I am sure that in his mind they strengthen the scope of the bill. I ask whether Bill C-94 will be strengthened or improved by these so-called technical amendments. The member knows very well that really the only way to help this area of concern is to scrap the bill, rather than to amend it.

The first amendment makes a change to clause 9. In the clause there is a reference to the record of a controlled substance. In the interpretation section of the bill, controlled substance means a manganese-based substance that is mentioned in the schedule and includes any other substance that contains such a manganese-based substance.

We are made to believe with this bill and with the member's amendments that MMT is hazardous. The government members across the floor know full well this is not so. When they have the opportunity to vote for this bill at third reading, the final reading stage, they will not only be voting in favour of bad legislation, they will be saying to the Canadian people that the government can ban a substance even if there is no evidence that the substance is hazardous.

(1655)

I will close by saying that I could speak for a long time on the disappointing aspects of the bill, but I know that should be kept for third reading and will do so.

The amendments proposed by the member for Huron—Bruce cannot be supported by the Reform Party. While they may change what can or cannot be done with a manganese based substance and when a report should be submitted to the minister, they do not address the fundamental question. Before a substance can be banned should it not go through a process of independent scientific review?

The bill cannot be improved by one or two amendments. The bill needs to be reworked from scratch if it is to have any credibility in both the industrial sector as well as the environmental sector. Good legislation would propose a predictable process for any substance, not just MMT.

The minister failed and the bill will ultimately be her legacy of another administrative blunder.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I too would like to speak to the bill and to the amendment just briefly.

I could not help but notice during the last few minutes some of the comments across the way that delved into the political garbage bucket as the hon. whip for the party opposite often does. I do not want to hold up the bill because we are on record as explaining why the bill is poorly designed. It is without scientific rationale. It is a knee-jerk reaction in support of friends of the Liberal Party. That has already been well documented.

I repeat for the record that today's activities again are an example of how the party opposite does not have any kind of political agenda or legislative agenda that Canadians and Quebecers can grasp on to with enthusiasm. This is more time filling, political time wasting on behalf of a government that seems bereft of any new ideas. Its idea of change is that it is already doing it. It just does not cut.

The bill should not pass. The amendment does not address the problems within the bill. Decisions should not be made in Canada based on what we felt like when we got up in the morning. There should be some scientific facts behind them.

The government quotes studies and tests. On and on it goes. It will not submit in the House the tests it quotes from. The reason it cannot ban MMT is that the health department says it is not a hazard. The reason it cannot be banned outright is that there is no scientific reason for it. All the government can do is prevent its interprovincial trade and prevent its importation at a time when the United States of America will go ahead. The court has approved its use in the United States.

It is a shame the government cannot come up with some better idea or legislative agenda that would address the issues of importance to Canadians instead of the time fillers we have been dealing with today.

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The Acting Speaker (Mr. Kilger): Is the House ready for the question?

Some hon. members: Question.

The Acting Speaker (Mr. Kilger): The first question is on Motion No. 1. Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 76(8), a recorded division on the proposed motion stands deferred.

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

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour of the motion will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the yeas have it.

Some hon. members: On division.

(Motion No. 2 agreed to.)

* * *

AGRICULTURE AND AGRI-FOOD ADMINISTRATIVE MONETARY PENALTIES ACT

The House resumed from October 26 consideration of Bill C-61, an act to establish a system of administrative monetary penalties for the enforcement of the Canada Agricultural Products Act, the Feeds Act, the Fertilizers Act, the Health of Animals Act, the Meat Inspection Act, the Pest Control Products Act, the Plant Protection Act and the Seeds Act, as reported (with amendments) from the committee.

The Acting Speaker (Mr. Kilger): It being 5 p.m. the House will now proceed to the deferred divisions on Bill C-61 at report stage.

Call in the members.

(1720)

(The House divided on Motion No. 1, which was negated on the following division:)

(Division No. 356)

YEAS

Members

| | |
|---|-----------------------------------|
| Abbott | Ablonczy |
| Althouse | Asselin |
| Bélisle | Bergeron |
| Bernier (Gaspé) | Blaikie |
| Breitkreuz (Yellowhead) | Bridgman |
| Brien | Brown (Calgary Southeast/Sud-Est) |
| Chatters | Chrétien (Frontenac) |
| Crête | Cummins |
| Dalphond-Guiral | Daviault |
| de Savoye | Debien |
| Deshaies | Duceppe |
| Duncan | Epp |
| Fillion | Forseth |
| Frazer | Gauthier |
| Godin | Gouk |
| Grey (Beaver River) | Guay |
| Guimond | Hanger |
| Hanrahan | Harper (Calgary West/Ouest) |
| Harper (Simcoe Centre) | Hart |
| Hayes | Hermanson |
| Hill (Macleod) | Hill (Prince George—Peace River) |
| Hoepfner | Jacob |
| Jennings | Johnston |
| Kerpan | Landry |
| Laurin | Leblanc (Longueuil) |
| Leroux (Richmond—Wolfe) | Leroux (Shefford) |
| Loubier | Manning |
| Martin (Esquimalt—Juan de Fuca) | Mayfield |
| McClelland (Edmonton Southwest/Sud-Ouest) | Mercier |
| Mills (Red Deer) | Morrison |
| Nunez | Paré |
| Picard (Drummond) | Plamondon |
| Pomerleau | Ramsay |
| Ringma | Schmidt |
| Solberg | Speaker |
| Stinson | Strahl |
| Taylor | Thompson |
| Tremblay (Rosemont) | Wayne |
| White (North Vancouver) —77 | |

NAYS

Members

| | |
|--------------------------|-------------------------|
| Adams | Alcock |
| Allmand | Anawak |
| Anderson | Assad |
| Augustine | Barnes |
| Beaumier | Bélair |
| Bélanger | Bellemare |
| Bethel | Bevilacqua |
| Bhaduria | Blondin-Andrew |
| Bodnar | Bonin |
| Boudria | Brown (Oakville—Milton) |
| Brushett | Bryden |
| Calder | Campbell |
| Cannis | Catterall |
| Chamberlain | Chan |
| Chrétien (Saint-Maurice) | Clancy |
| Cohen | Collenette |
| Collins | Comuzzi |
| Copps | Cowling |
| Culbert | DeVillers |
| Dhaliwal | Dingwall |

Government Orders

| | |
|---|---|
| Discepolo | Duhamel |
| Dupuy | Easter |
| Eggleton | Fewchuk |
| Finestone | Flis |
| Fontana | Fry |
| Gagliano | Gagnon (Bonaventure—Îles-de-la-Madeleine) |
| Galloway | Gerrard |
| Godfrey | Goodale |
| Graham | Gray (Windsor West/Ouest) |
| Grose | Guarnieri |
| Harper (Churchill) | Harvard |
| Hopkins | Hubbard |
| Iftody | Irwin |
| Jackson | Keyes |
| Kirkby | Knutson |
| Kraft Sloan | Lastewka |
| LeBlanc (Cape/Cap-Breton Highlands—Canso) | Lee |
| Lincoln | Loney |
| MacAulay | Maclaren |
| Malhi | Maloney |
| Manley | Marleau |
| Martin (LaSalle—Émard) | Massé |
| McCormick | McKinnon |
| McLellan (Edmonton Northwest/Nord-Ouest) | McTeague |
| McWhinney | Milliken |
| Mills (Broadview—Greenwood) | Minna |
| Mitchell | Murphy |
| Murray | Nault |
| O'Brien | O'Reilly |
| Ouellet | Paradis |
| Parrish | Patry |
| Payne | Peric |
| Peters | Phinney |
| Pickard (Essex—Kent) | Pillitteri |
| Proud | Reed |
| Regan | Richardson |
| Rideout | Ringuette—Maltais |
| Robichaud | Robillard |
| Rock | Scott (Fredericton—York—Sunbury) |
| Shepherd | Sheridan |
| Simmons | Speller |
| St. Denis | Steckle |
| Stewart (Brant) | Stewart (Northumberland) |
| Szabo | Telegdi |
| Terrana | Torsney |
| Ur | Valeri |
| Vanclief | Verran |
| Walker | Wells |
| Whelan | Wood |
| Young | Zed—140 |

PAIRED MEMBERS

| | |
|---|-------------|
| Assadourian | Bachand |
| Bakopanos | Bellehumeur |
| Cauchon | Dubé |
| Gagnon (Québec) | Harb |
| Jordan | Lalonde |
| Langlois | Lebel |
| MacLellan (Cape/Cap-Breton—The Sydneys) | McGuire |
| Sauvageau | Thalheimer |

(1730)

The Speaker: I declare Motion No. 1 lost. The next question is on group 2, Motion No. 11.

Mr. Boudria: Mr. Speaker, if you were to seek it I believe you would find unanimous consent that all members who voted on the motion previously before the House be deemed to have voted on the motion now before the House. Liberal members will be voting nay.

[Translation]

Mr. Duceppe: Mr. Speaker, Bloc members, with the addition of Mrs. Tremblay, the member for Rimouski—Témiscouata, also oppose this bill.

[English]

Mr. Ringma: All good and honourable Reform members will vote yes, except those who do not want to.

Mr. Taylor: New Democrats present will vote yea.

Mrs. Wayne: Good and honourable PCers will be voting nay.

Mr. Bhaduria: I will be voting against this motion.

(The House divided on the Motion No. 11, which was negated on the following division:)

(Division No. 357)

YEAS

Members

| | |
|-----------------------------------|---|
| Abbott | Ablonczy |
| Althouse | Blaikie |
| Breitkreuz (Yellowhead) | Bridgman |
| Brown (Calgary Southeast/Sud-Est) | Chatters |
| Cummins | Duncan |
| Epp | Forseth |
| Frazier | Gouk |
| Grey (Beaver River) | Hanger |
| Hanrahan | Harper (Calgary West/Ouest) |
| Harper (Simcoe Centre) | Hart |
| Hayes | Hermanson |
| Hill (Macleod) | Hill (Prince George—Peace River) |
| Hoepfner | Jennings |
| Johnston | Kerpan |
| Manning | Martin (Esquimalt—Juan de Fuca) |
| Mayfield | McClelland (Edmonton Southwest/Sud-Ouest) |
| Mills (Red Deer) | Morrison |
| Ramsay | Ringma |
| Schmidt | Solberg |
| Speaker | Stinson |
| Strahl | Taylor |
| Thompson | White (North Vancouver) —44 |

NAYS

Members

| | |
|--------------------------|----------------------|
| Adams | Alcock |
| Allmand | Anawak |
| Anderson | Assad |
| Asselin | Augustine |
| Barnes | Beaumier |
| Bélair | Bélanger |
| Bélisle | Bellemare |
| Bergeron | Bernier (Gaspé) |
| Bethel | Bevilacqua |
| Bhaduria | Blondin—Andrew |
| Bodnar | Bonin |
| Boudria | Brien |
| Brown (Oakville—Milton) | Brushett |
| Bryden | Calder |
| Campbell | Cannis |
| Catterall | Chamberlain |
| Chan | Chrétien (Frontenac) |
| Chrétien (Saint-Maurice) | Clancy |
| Cohen | Collenette |
| Collins | Comuzzi |
| Copps | Cowling |

Government Orders

| | |
|----------------------------------|---|
| Crête | Culbert |
| Dalphond-Guiral | Daviault |
| de Savoye | Debien |
| Deshaiès | DeVillers |
| Dhaliwal | Dingwall |
| Discepola | Duceppe |
| Duhamel | Dupuy |
| Easter | Eggleton |
| Fewchuk | Fillion |
| Finestone | Flis |
| Fontana | Fry |
| Gagliano | Gagnon (Bonaventure—Îles-de-la-Madeleine) |
| Galloway | Gauthier |
| Gerrard | Godfrey |
| Godin | Goodale |
| Graham | Gray (Windsor West/Ouest) |
| Grose | Guarnieri |
| Guay | Guimond |
| Harper (Churchill) | Harvard |
| Hopkins | Hubbard |
| Iftody | Irwin |
| Jackson | Jacob |
| Keyes | Kirkby |
| Knutson | Kraft Sloan |
| Landry | Lastewka |
| Laurin | LeBlanc (Cape/Cap-Breton Highlands—Canso) |
| Leblanc (Longueuil) | Lee |
| Leroux (Richmond—Wolfe) | Leroux (Shefford) |
| Lincoln | Loney |
| Loubier | MacAulay |
| Maclaren | Malhi |
| Maloney | Manley |
| Marleau | Martin (LaSalle—Émard) |
| Massé | McCormick |
| McKinnon | McLellan (Edmonton Northwest/Nord-Ouest) |
| McTeague | McWhinney |
| Mercier | Milliken |
| Mills (Broadview—Greenwood) | Minna |
| Mitchell | Murphy |
| Murray | Nault |
| Nunez | O'Brien |
| O'Reilly | Ouellet |
| Paradis | Paré |
| Parrish | Patry |
| Payne | Peric |
| Peters | Phinney |
| Picard (Drummond) | Pickard (Essex—Kent) |
| Pillitteri | Plamondon |
| Pomerleau | Proud |
| Reed | Regan |
| Richardson | Rideout |
| Ringuette-Maltais | Robichaud |
| Robillard | Rock |
| Scott (Fredericton—York—Sunbury) | Shepherd |
| Sheridan | Simmons |
| Speller | St. Denis |
| Steckle | Stewart (Brant) |
| Stewart (Northumberland) | Szabo |
| Telegdi | Terrana |
| Torsney | Tremblay (Rimouski—Témiscouata) |
| Tremblay (Rosemont) | Ur |
| Valeri | Vanclief |
| Verran | Walker |
| Wayne | Wells |
| Whelan | Wood |
| Young | Zed—174 |

PAIRED MEMBERS

| | |
|---|-------------|
| Assadourian | Bachand |
| Bakopanos | Bellehumeur |
| Cauchon | Dubé |
| Gagnon (Québec) | Harb |
| Jordan | Lalonde |
| Langlois | Lebel |
| MacLellan (Cape/Cap-Breton—The Sydneys) | McGuire |
| Sauvageau | Thalheimer |

(1735)

The Speaker: I declare Motion No. 11 lost.

The next question is on Motion No. 15.

Mr. Boudria: Mr. Speaker, I believe you would find unanimous consent to apply the result of the previous motion, that is Motion No. 11, to Motion No. 15.**The Speaker:** Is there unanimous consent?**Some hon. members:** Agreed.*[Editor's Note: See list under Division No. 357]***The Speaker:** I declare Motion No. 15 defeated.

We are now voting on Group No. 3, Motion No. 3.

*[Translation]***Mr. Boudria:** Mr. Speaker, if you were to seek it, I think you would find that the House agrees that all members who voted on the motion previously before the House be deemed to have voted on the motion now before the House. Liberal members will be voting nay.**Mr. Duceppe:** Mr. Speaker, Bloc Québécois members will also vote nay on that motion.*[English]***Mr. Ringma:** Mr. Speaker, the Reform Party supports the motion.**Mr. Taylor:** Mr. Speaker, New Democrats vote nay.**Mrs. Wayne:** Mr. Speaker, I will be voting nay.**Mr. Bhaduria:** Mr. Speaker, I will be voting against this motion.**Mr. Volpe:** Mr. Speaker, I was not here for the first part of the vote but obviously I will vote with the government on this. Please add my name to the list.

(The House divided on Motion No. 3, which was negated on the following division:)

(Division No. 358)

YEAS

Members

| | |
|-----------------------------------|---|
| Abbott | Ablonczy |
| Breitkreuz (Yellowhead) | Bridgman |
| Brown (Calgary Southeast/Sud-Est) | Chatters |
| Cummins | Duncan |
| Epp | Forseth |
| Frazer | Gouk |
| Grey (Beaver River) | Hanger |
| Hanrahan | Harper (Calgary West/Ouest) |
| Harper (Simcoe Centre) | Hart |
| Hayes | Hermanson |
| Hill (Macleod) | Hill (Prince George—Peace River) |
| Hoepfner | Jennings |
| Johnston | Kerpan |
| Manning | Martin (Esquimalt—Juan de Fuca) |
| Mayfield | McClelland (Edmonton Southwest/Sud-Ouest) |
| Mills (Red Deer) | Morrison |
| Ramsay | Ringma |
| Schmidt | Solberg |
| Speaker | Stinson |
| Strahl | Thompson |
| White (North Vancouver)—41 | |

Government Orders

NAYS

Members

Adams
Allmand
Anawak
Assad
Augustine
Beaumier
Bélanger
Bellemare
Bernier (Gaspé)
Bevilacqua
Blaikie
Bodnar
Boudria
Brown (Oakville—Milton)
Bryden
Campbell
Catterall
Chan
Chrétien (Saint-Maurice)
Cohen
Collins
Copp
Crête
Dalphond-Guiral
de Savoye
Deshaies
Dhaliwal
Discepola
Duhamel
Easter
Fewchuk
Finestone
Fontana
Gagliano
Galloway
Gerrard
Godin
Graham
Grose
Guay
Harper (Churchill)
Hopkins
Iftody
Jackson
Keys
Knutson
Landry
Laurin
Leblanc (Longueuil)
Leroux (Richmond—Wolfe)
Lincoln
Loubier
Maclaren
Maloney
Marleau
Massé
McKinnon
McTeague
Mercier
Mills (Broadview—Greenwood)
Mitchell
Murray
Nunez
O'Reilly
Paradis
Parrish
Payne
Peters
Picard (Drummond)
Pillitteri
Pomerleau
Reed
Richardson
Ringuelette-Maltais
Robillard
Scott (Fredericton—York—Sunbury)
Sheridan
Speller
Steckle
Stewart (Northumberland)

Alcock
Althouse
Anderson
Asselin
Barnes
Bélair
Bélisle
Bergeron
Bethel
Bhaduria
Blondin—Andrew
Bonin
Brien
Brushett
Calder
Cannis
Chamberlain
Chrétien (Frontenac)
Clancy
Collenette
Comuzzi
Cowling
Culbert
Davialt
Debien
DeVillers
Dingwall
Duceppe
Dupuy
Eggleton
Fillion
Flis
Fry
Gagnon (Bonaventure—Îles-de-la-Madeleine)
Gauthier
Godfrey
Goodale
Gray (Windsor West/Ouest)
Guarnieri
Guimond
Harvard
Hubbard
Irwin
Jacob
Kirkby
Kraft Sloan
Lastewka
LeBlanc (Cape/Cap-Breton Highlands—Canso)
Lee
Leroux (Shefford)
Loney
MacAulay
Malhi
Manley
Martin (LaSalle—Énard)
McCormick
McLellan (Edmonton Northwest/Nord-Ouest)
McWhinney
Milliken
Minna
Murphy
Nault
O'Brien
Ouellet
Paré
Patry
Peric
Phinney
Pickard (Essex—Kent)
Plamondon
Proud
Regan
Rideout
Robichaud
Rock
Shepherd
Simmons
St. Denis
Stewart (Brant)
Szabo

Taylor
Terrana
Tremblay (Rimouski—Témiscouata)
Ur
Vanclief
Volpe
Wayne
Whelan
Young
Telegdi
Torsney
Tremblay (Rosemont)
Valeri
Verran
Walker
Wells
Wood
Zed —178

PAIRED MEMBERS

Assadourian
Bakopanos
Cauchon
Gagnon (Québec)
Jordan
Langlois
MacLellan (Cape/Cap-Breton—The Sydneys)
Sauvageau
Bachand
Bellehumeur
Dubé
Harb
Lalonde
Lebel
McGuire
Thalheimer

The Speaker: I declare Motion No. 3 lost.

The next question is on Motion No. 4.

[*Translation*]

Mr. Boudria: Mr. Speaker, if you were to seek it, I think you would find that the House agrees to apply the result of the division on Motion No. 1 of Bill C-61, at report stage, to Motions Nos. 4, 23, 21 and 22.

Again, the result of the division on Motion No. 1 would apply to Motions 4, 23, 21 and 22.

[*English*]

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mrs. Wayne: Mr. Speaker, I will be voting nay on Motion No. 4. I will be voting in favour of Motions Nos. 21, 22 and 23.

[*Translation*]

The Speaker: The hon. member for Rimouski—Témiscouata was not here at the beginning. How will she vote?

Mrs. Tremblay: Mr. Speaker, I vote with the Bloc Québécois.

[*English*]

The Speaker: The hon. member for Eglinton—Lawrence was not here for the first vote. How will the member vote?

Mr. Volpe: I will vote with the government side with no equivocation.

The Speaker: So ordered.

(The House divided on the Motion No. 4, which was negated on the following division:)

(*Division No. 359*)

YEAS

Members

Abbott
Althouse
Bélisle
Ablonczy
Asselin
Bergeron

Government Orders

| | | | |
|---|-----------------------------------|--|----------------------------------|
| Bernier (Gaspé) | Blaikie | Malhi | Maloney |
| Breitkreuz (Yellowhead) | Bridgman | Manley | Marleau |
| Brien | Brown (Calgary Southeast/Sud—Est) | Martin (LaSalle—Énard) | Massé |
| Chatters | Chrétien (Frontenac) | McCormick | McKinnon |
| Crête | Cummins | McLellan (Edmonton Northwest/Nord—Ouest) | McTeague |
| Dalphond—Guiral | Daviault | McWhinney | Milliken |
| de Savoye | Debien | Mills (Broadview—Greenwood) | Minna |
| Deshaies | Duceppe | Mitchell | Murphy |
| Duncan | Epp | Murray | Nault |
| Fillion | Forseth | O'Brien | O'Reilly |
| Frazer | Gauthier | Ouellet | Paradis |
| Godin | Gouk | Parrish | Patry |
| Grey (Beaver River) | Guay | Payne | Peric |
| Guimond | Hanger | Peters | Phinney |
| Hanrahan | Harper (Calgary West/Ouest) | Pickard (Essex—Kent) | Pillitteri |
| Harper (Simcoe Centre) | Hart | Proud | Reed |
| Hayes | Hermanson | Regan | Richardson |
| Hill (Macleod) | Hill (Prince George—Peace River) | Rideout | Ringuette—Maltais |
| Hoeppner | Jacob | Robichaud | Robillard |
| Jennings | Johnston | Rock | Scott (Fredericton—York—Sunbury) |
| Kerpan | Landry | Shepherd | Sheridan |
| Laurin | Leblanc (Longueuil) | Simmons | Speller |
| Leroux (Richmond—Wolfe) | Leroux (Shefford) | St. Denis | Steckle |
| Loubier | Manning | Stewart (Brant) | Stewart (Northumberland) |
| Martin (Esquimalt—Juan de Fuca) | Mayfield | Szabo | Telegdi |
| McClelland (Edmonton Southwest/Sud—Ouest) | Mercier | Terrana | Torsney |
| Mills (Red Deer) | Morrison | Ur | Valeri |
| Nunez | Paré | Vancielief | Verran |
| Picard (Drummond) | Plamondon | Volpe | Walker |
| Pomerleau | Ramsay | Wayne | Wells |
| Ringma | Schmidt | Whelan | Wood |
| Solberg | Speaker | Young | Zed—142 |
| Stinson | Strahl | | |
| Taylor | Thompson | | |
| Tremblay (Rimouski—Témiscouata) | Tremblay (Rosemont) | | |
| White (North Vancouver)—77 | | | |

NAYS

Members

| | |
|---|---|
| Adams | Alcock |
| Allmand | Anawak |
| Anderson | Assad |
| Augustine | Barnes |
| Beaumier | Bélaïr |
| Bélangier | Bellemare |
| Bethel | Bevilacqua |
| Bhaduria | Blondin—Andrew |
| Bodnar | Bonin |
| Boudria | Brown (Oakville—Milton) |
| Brushett | Bryden |
| Calder | Campbell |
| Cannis | Catterall |
| Chamberlain | Chan |
| Chrétien (Saint—Maurice) | Clancy |
| Cohen | Collenette |
| Collins | Comuzzi |
| Copps | Cowling |
| Culbert | DeVillers |
| Dhaliwal | Dingwall |
| Discepolo | Duhamel |
| Dupuy | Easter |
| Eggleton | Fewchuk |
| Finestone | Flis |
| Fontana | Fry |
| Gagliano | Gagnon (Bonaventure—Îles—de—la—Madeleine) |
| Galloway | Gerrard |
| Godfrey | Goodale |
| Graham | Gray (Windsor West/Ouest) |
| Grose | Guarnieri |
| Harper (Churchill) | Harvard |
| Hopkins | Hubbard |
| Iftody | Irwin |
| Jackson | Keyes |
| Kirkby | Knutson |
| Kraft Sloan | Lastewka |
| LeBlanc (Cape/Cap—Breton Highlands—Canso) | Lee |
| Lincoln | Loney |
| MacAulay | Maclaren |

PAIRED MEMBERS

| | |
|---|-------------|
| Assadourian | Bachand |
| Bakopanos | Bellehumeur |
| Cauchon | Dubé |
| Gagnon (Québec) | Harb |
| Jordan | Lalonde |
| Langlois | Lebel |
| MacLellan (Cape/Cap—Breton—The Sydneys) | McGuire |
| Sauvageau | Thalheimer |

The Speaker: I declare Motion No. 4 lost. I also declare Motions Nos. 21, 22 and 23 lost.

(1740)

The next question is on Motion No. 5.

[Translation]

Mr. Boudria: Mr. Speaker, if you were to seek it, you would probably find unanimous consent that all members who voted on the motion previously before the House be deemed to have voted on the motion now before the House. Liberal members will be voting nay on that motion.

Mr. Duceppe: Mr. Speaker, Bloc Québécois members support the motion.

[English]

Mr. Ringma: Reform will vote yes.

Mr. Taylor: Mr. Speaker, New Democrats vote no.

Mrs. Wayne: Mr. Speaker, I will be voting no.

Mr. Bhaduria: Mr. Speaker, I will be voting against this motion.

(The House divided on Motion No. 5, which was negatived on the following division:)

(Division No. 360)

YEAS

Members

| | |
|---|-----------------------------------|
| Abbott | Ablonczy |
| Asselin | Bélisle |
| Bergeron | Bernier (Gaspé) |
| Breitkreuz (Yellowhead) | Bridgman |
| Brien | Brown (Calgary Southeast/Sud-Est) |
| Chatters | Chrétien (Frontenac) |
| Crête | Cummins |
| Dalphond-Guiral | Daviault |
| de Savoye | Debien |
| Deshaies | Duceppe |
| Duncan | Epp |
| Fillion | Forseth |
| Frazer | Gauthier |
| Godin | Gouk |
| Grey (Beaver River) | Guay |
| Guimond | Hanger |
| Hanrahan | Harper (Calgary West/Ouest) |
| Harper (Simcoe Centre) | Hart |
| Hayes | Hermanson |
| Hill (Macleod) | Hill (Prince George—Peace River) |
| Hoepfner | Jacob |
| Jennings | Johnston |
| Kerpan | Landry |
| Laurin | Leblanc (Longueuil) |
| Leroux (Richmond—Wolfe) | Leroux (Shefford) |
| Loubier | Manning |
| Martin (Esquimalt—Juan de Fuca) | Mayfield |
| McClelland (Edmonton Southwest/Sud-Ouest) | Mercier |
| Mills (Red Deer) | Morrison |
| Nunez | Paré |
| Picard (Drummond) | Plamondon |
| Pomerleau | Ramsay |
| Ringma | Schmidt |
| Solberg | Speaker |
| Stinson | Strahl |
| Thompson | Tremblay (Rimouski—Témiscouata) |
| Tremblay (Rosemont) | White (North Vancouver)—74 |

NAYS

Members

| | |
|--------------------------|-------------------------|
| Adams | Alcock |
| Allmand | Althouse |
| Anawak | Anderson |
| Assad | Augustine |
| Barnes | Beaumier |
| Bélaïr | Bélangier |
| Bellemare | Bethel |
| Bevilacqua | Bhaduria |
| Blaikie | Blondin—Andrew |
| Bodnar | Bonin |
| Boudria | Brown (Oakville—Milton) |
| Brushett | Bryden |
| Calder | Campbell |
| Cannis | Catterall |
| Chamberlain | Chan |
| Chrétien (Saint-Maurice) | Clancy |
| Cohen | Collenette |
| Collins | Comuzzi |
| Copps | Cowling |
| Culbert | DeVillers |
| Dhaliwal | Dingwall |
| Discepola | Duhamel |
| Dupuy | Easter |

Government Orders

| | |
|---|---|
| Eggleton | Fewchuk |
| Finestone | Flis |
| Fontana | Fry |
| Gagliano | Gagnon (Bonaventure—Îles-de-la-Madeleine) |
| Galloway | Gerrard |
| Godfrey | Goodale |
| Graham | Gray (Windsor West/Ouest) |
| Grose | Guarnieri |
| Harper (Churchill) | Harvard |
| Hopkins | Hubbard |
| Iftody | Irwin |
| Jackson | Keyes |
| Kirkby | Knutson |
| Kraft Sloan | Lastewka |
| LeBlanc (Cape/Cap-Breton Highlands—Canso) | Lee |
| Lincoln | Loney |
| MacAulay | Maclaren |
| Malhi | Maloney |
| Manley | Marleau |
| Martin (LaSalle—Émard) | Massé |
| McCormick | McKinnon |
| McLellan (Edmonton Northwest/Nord-Ouest) | McTeague |
| McWhinney | Milliken |
| Mills (Broadview—Greenwood) | Minna |
| Mitchell | Murphy |
| Murray | Nault |
| O'Brien | O'Reilly |
| Ouellet | Paradis |
| Parrish | Patry |
| Payne | Peric |
| Peters | Phinney |
| Pickard (Essex—Kent) | Pillitteri |
| Proud | Reed |
| Regan | Richardson |
| Rideout | Ringuette—Maltais |
| Robichaud | Robillard |
| Rock | Scott (Fredericton—York—Sunbury) |
| Shepherd | Sheridan |
| Simmons | Speller |
| St. Denis | Steckle |
| Stewart (Brant) | Stewart (Northumberland) |
| Szabo | Taylor |
| Telegdi | Terrana |
| Torsney | Ur |
| Valeri | Vanclief |
| Verran | Volpe |
| Walker | Wayne |
| Wells | Whelan |
| Wood | Young |
| Zed —145 | |

PAIRED MEMBERS

| | |
|---|-------------|
| Assadourian | Bachand |
| Bakopanos | Bellehumeur |
| Cauchon | Dubé |
| Gagnon (Québec) | Harb |
| Jordan | Lalonde |
| Langlois | Lebel |
| MacLellan (Cape/Cap-Breton—The Sydneys) | McGuire |
| Sauvageau | Thalheimer |

The Speaker: I declare Motion No. 5 lost.

The next question is on Motion No. 19.

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to apply the results of report stage Motion No. 3 to the motion now before the House, Motion No. 19.

Government Orders

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 358*]

The Speaker: I declare Motion No. 19 lost.

Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food, Lib.) moved that the bill be concurred in.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: *Yea*.

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

Some hon. members: *Nay*.

The Speaker: In my opinion the yeas have it.

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to apply the vote just taken on Motion No. 19 in reverse to the motion now before the House.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(The House divided on the motion, which was agreed to on the following division:)

*(Division No. 361)***YEAS**

Members

| | |
|--------------------------|---|
| Adams | Alcock |
| Allmand | Althouse |
| Anawak | Anderson |
| Assad | Asselin |
| Augustine | Barnes |
| Beaumier | Bélair |
| Bélangier | Bélisle |
| Bellemare | Bergeron |
| Bernier (Gaspé) | Bethel |
| Bevilacqua | Bhaduria |
| Blaikie | Blondin-Andrew |
| Bodnar | Bonin |
| Boudria | Brien |
| Brown (Oakville—Milton) | Brushett |
| Bryden | Calder |
| Campbell | Cannis |
| Catterall | Chamberlain |
| Chan | Chrétien (Frontenac) |
| Chrétien (Saint-Maurice) | Clancy |
| Cohen | Collenette |
| Collins | Comuzzi |
| Copps | Cowling |
| Crête | Culbert |
| Dalphond-Guiral | Daviault |
| de Savoye | Debien |
| Deshaies | DeVillers |
| Dhaliwal | Dingwall |
| Discepola | Duceppe |
| Duhamel | Dupuy |
| Easter | Eggleton |
| Fewchuk | Fillion |
| Finestone | Flis |
| Fontana | Fry |
| Gagliano | Gagnon (Bonaventure—Îles-de-la-Madeleine) |
| Galloway | Gauthier |
| Gerrard | Godfrey |
| Godin | Goodale |

| | |
|----------------------------------|---|
| Graham | Gray (Windsor West/Ouest) |
| Grose | Guarnieri |
| Guay | Guimond |
| Harper (Churchill) | Harvard |
| Hopkins | Hubbard |
| Iftody | Irwin |
| Jackson | Jacob |
| Keyes | Kirkby |
| Knutson | Kraft Sloan |
| Landry | Lastewka |
| Laurin | LeBlanc (Cape/Cap-Breton Highlands—Canso) |
| Leblanc (Longueuil) | Lee |
| Leroux (Richmond—Wolfe) | Leroux (Shefford) |
| Lincoln | Loney |
| Loubier | MacAulay |
| Maclaren | Malhi |
| Maloney | Manley |
| Marleau | Martin (LaSalle—Émard) |
| Massé | McCormick |
| McKinnon | McLellan (Edmonton Northwest/Nord-Ouest) |
| McTeague | McWhinney |
| Mercier | Milliken |
| Mills (Broadview—Greenwood) | Minna |
| Mitchell | Murphy |
| Murray | Nault |
| Nunez | O'Brien |
| O'Reilly | Ouellet |
| Paradis | Paré |
| Parrish | Patry |
| Payne | Peric |
| Peters | Phinney |
| Picard (Drummond) | Pickard (Essex—Kent) |
| Pillitteri | Plamondon |
| Pomerleau | Proud |
| Reed | Regan |
| Richardson | Rideout |
| Ringuette-Maltais | Robichaud |
| Robillard | Rock |
| Scott (Fredericton—York—Sunbury) | Shepherd |
| Sheridan | Simmons |
| Speller | St. Denis |
| Steckle | Stewart (Brant) |
| Stewart (Northumberland) | Szabo |
| Taylor | Telegdi |
| Terrana | Torsney |
| Tremblay (Rimouski—Témiscouata) | Tremblay (Rosemont) |
| Ur | Valeri |
| Vanclief | Verran |
| Volpe | Walker |
| Wayne | Wells |
| Whelan | Wood |
| Young | Zed —178 |

NAYS

Members

| | |
|-----------------------------------|---|
| Abbott | Ablonczy |
| Breitkreuz (Yellowhead) | Bridgman |
| Brown (Calgary Southeast/Sud-Est) | Chatters |
| Cummins | Duncan |
| Epp | Forseth |
| Frazer | Gouk |
| Grey (Beaver River) | Hanger |
| Hanrahan | Harper (Calgary West/Ouest) |
| Harper (Simcoe Centre) | Hart |
| Hayes | Hermanson |
| Hill (Macleod) | Hill (Prince George—Peace River) |
| Hoepfner | Jennings |
| Johnston | Kerpan |
| Manning | Martin (Esquimalt—Juan de Fuca) |
| Mayfield | McClelland (Edmonton Southwest/Sud-Ouest) |
| Mills (Red Deer) | Morrison |
| Ramsay | Ringma |
| Schmidt | Solberg |
| Speaker | Stinson |
| Strahl | Thompson |
| White (North Vancouver)—41 | |

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PAIRED MEMBERS

| | |
|---|-------------|
| Assadourian | Bachand |
| Bakopanos | Bellehumeur |
| Cauchon | Dubé |
| Gagnon (Québec) | Harb |
| Jordan | Lalonde |
| Langlois | Lebel |
| MacLellan (Cape/Cap-Breton—The Sydneys) | McGuire |
| Sauvageau | Thalheimer |

The Speaker: I declare the motion carried.

* * *

SMALL BUSINESS LOANS ACT

The House resumed from October 27 consideration of the motion that Bill C-99, an act to amend the Small Business Loans Act, be read the second time and referred to a committee.

The Speaker: Pursuant to order made Friday, October 27, the House will now proceed to the taking of the deferred division at the second reading stage of Bill C-99, an act to amend the Small Business Loans Act.

Mr. Boudria: Mr. Speaker, I think you would find unanimous consent to apply the results of the vote on report stage Motion No. 4 in reverse to the motion now before the House.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

(The House divided on the motion, which was agreed to on the following division:)

(Division No. 362)

YEAS

Members

| | |
|--------------------------|---|
| Adams | Alcock |
| Allmand | Anawak |
| Anderson | Assad |
| Augustine | Barnes |
| Beaumier | Bélair |
| Bélanger | Bellemare |
| Bethel | Bevilacqua |
| Bhaduria | Blondin—Andrew |
| Bodnar | Bonin |
| Boudria | Brown (Oakville—Milton) |
| Brushett | Bryden |
| Calder | Campbell |
| Cannis | Catterall |
| Chamberlain | Chan |
| Chrétien (Saint-Maurice) | Clancy |
| Cohen | Collenette |
| Collins | Comuzzi |
| Copps | Cowling |
| Culbert | DeVillers |
| Dhaliwal | Dingwall |
| Discepolo | Duhamel |
| Dupuy | Easter |
| Eggleton | Fewchuk |
| Finestone | Flis |
| Fontana | Fry |
| Gagliano | Gagnon (Bonaventure—Îles-de-la-Madeleine) |
| Gallaway | Gerrard |
| Godfrey | Goodale |
| Graham | Gray (Windsor West/Ouest) |
| Grose | Guarnieri |

| | |
|---|----------------------------------|
| Harper (Churchill) | Harvard |
| Hopkins | Hubbard |
| Iftody | Irwin |
| Jackson | Keyes |
| Kirkby | Knutson |
| Kraft Sloan | Lastewka |
| LeBlanc (Cape/Cap-Breton Highlands—Canso) | Lee |
| Lincoln | Loney |
| MacAulay | Maclaren |
| Malhi | Maloney |
| Manley | Marleau |
| Martin (LaSalle—Émard) | Massé |
| McCormick | McKinnon |
| McLellan (Edmonton Northwest/Nord-Ouest) | McTeague |
| McWhinney | Milliken |
| Mills (Broadview—Greenwood) | Minna |
| Mitchell | Murphy |
| Murray | Nault |
| O'Brien | O'Reilly |
| Ouellet | Paradis |
| Parrish | Patry |
| Payne | Peric |
| Peters | Phinney |
| Pickard (Essex—Kent) | Pillitteri |
| Proud | Reed |
| Regan | Richardson |
| Rideout | Ringuette—Maltais |
| Robichaud | Robillard |
| Rock | Scott (Fredericton—York—Sunbury) |
| Shepherd | Sheridan |
| Simmons | Speller |
| St. Denis | Steckle |
| Stewart (Brant) | Stewart (Northumberland) |
| Szabo | Telegdi |
| Terrana | Torsney |
| Ur | Valeri |
| Vanclief | Verran |
| Volpe | Walker |
| Wayne | Wells |
| Whelan | Wood |
| Young | Zed—142 |

NAYS

Members

| | |
|---|-----------------------------------|
| Abbott | Ablonczy |
| Althouse | Asselin |
| Bélisle | Bergeron |
| Bernier (Gaspé) | Blaikie |
| Breitkreuz (Yellowhead) | Bridgman |
| Brien | Brown (Calgary Southeast/Sud-Est) |
| Chatters | Chrétien (Frontenac) |
| Crête | Cummins |
| Dalphond—Guiral | Daviault |
| de Savoye | Debien |
| Deshaies | Duceppe |
| Duncan | Epp |
| Fillion | Forseth |
| Frazier | Gauthier |
| Godin | Gouk |
| Grey (Beaver River) | Guay |
| Guimond | Hanger |
| Hanrahan | Harper (Calgary West/Ouest) |
| Harper (Simcoe Centre) | Hart |
| Hayes | Hermanson |
| Hill (Macleod) | Hill (Prince George—Peace River) |
| Hoepfner | Jacob |
| Jennings | Johnston |
| Kerpan | Landry |
| Laurin | Leblanc (Longueuil) |
| Leroux (Richmond—Wolfe) | Leroux (Shefford) |
| Loubier | Manning |
| Martin (Esquimalt—Juan de Fuca) | Mayfield |
| McClelland (Edmonton Southwest/Sud-Ouest) | Mercier |
| Mills (Red Deer) | Morrison |
| Nunez | Paré |
| Picard (Drummond) | Plamondon |
| Pomerleau | Ramsay |

Government Orders

| | |
|---------------------------------|---------------------|
| Ringma | Schmidt |
| Solberg | Speaker |
| Stinson | Strahl |
| Taylor | Thompson |
| Tremblay (Rimouski—Témiscouata) | Tremblay (Rosemont) |
| White (North Vancouver)—77 | |

PAIRED MEMBERS

| | |
|---|-------------|
| Assadourian | Bachand |
| Bakopanos | Bellehumeur |
| Cauchon | Dubé |
| Gagnon (Québec) | Harb |
| Jordan | Lalonde |
| Langlois | Lebel |
| MacLellan (Cape/Cap-Breton—The Sydneys) | McGuire |
| Sauvageau | Thalheimer |

The Speaker: I declare the motion carried.

(Bill read the second time and referred to a committee.)

* * *

(1745)

EXCISE TAX ACT

The House resumed consideration of Bill C-103, an act to amend the Excise Tax Act and the Income Tax Act, as reported (with amendment) from the committee.

The Speaker: Pursuant to Standing Order 45, the House will proceed to the taking of the deferred division on the concurrence motion of Bill C-103.

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec, Lib.) moved that the bill be concurred in.

Mr. Boudria: Mr. Speaker, I think you will find unanimous consent to apply the result of report stage Motion No. 19, of Bill C-61 in reverse to the motion now before the House.

The Speaker: Is it agreed?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 361.*]

The Speaker: I declare the motion carried.

(Motion agreed to.)

* * *

MANGANESE-BASED FUEL ADDITIVES ACT

The House proceeded to the consideration of Bill C-94, an act to regulate interprovincial trade in and the importation for commercial purposes of certain manganese based substances as reported (with amendment) from the committee.

The Speaker: The question is on Motion No. 1.

Mr. Boudria: Mr. Speaker, if you were to seek it, I believe you would find unanimous consent that all members who voted on the previous motion be recorded as having voted on the motion now before the House.

[*Translation*]

The Liberals will vote yea on this motion.

Mr. Duceppe: The Bloc members will vote yea on this motion.

[*English*]

Mr. Ringma: Mr. Speaker, may I have clarification? Which bill are we on now, Bill C-103 or Bill C-94?

The Speaker: We are now dealing with Bill C-94.

Mr. Ringma: What was our recorded vote for Bill C-103? Are we recorded as a no for Bill C-103?

The Speaker: Yes.

Mr. Ringma: We are also a no for Bill C-94.

Mr. Taylor: Mr. Speaker, New Democrats vote yea.

Mrs. Wayne: Mr. Speaker, I vote nay.

Mr. Bhaduria: Mr. Speaker, I will be voting in favour of this motion.

(The House divided on Motion No. 1, which was agreed to on the following division:)

(*Division No. 363*)

YEAS

Members

| | |
|--------------------------|---|
| Adams | Alcock |
| Allmand | Althouse |
| Anawak | Anderson |
| Assad | Asselin |
| Augustine | Barnes |
| Beaumier | Bélair |
| Bélanger | Bélisle |
| Bellemare | Bergeron |
| Bernier (Gaspé) | Bethel |
| Bevilacqua | Bhaduria |
| Blaikie | Blondin—Andrew |
| Bodnar | Bonin |
| Boudria | Brien |
| Brown (Oakville—Milton) | Brushett |
| Bryden | Calder |
| Campbell | Cannis |
| Catterall | Chamberlain |
| Chan | Chrétien (Frontenac) |
| Chrétien (Saint—Maurice) | Clancy |
| Cohen | Collenette |
| Collins | Comuzzi |
| Copps | Cowling |
| Crête | Culbert |
| Dalphond—Guiral | Daviault |
| de Savoye | Debien |
| Deshaies | DeVillers |
| Dhaliwal | Dingwall |
| Discepola | Duceppe |
| Duhamel | Dupuy |
| Easter | Eggleton |
| Fewchuk | Fillion |
| Finestone | Flis |
| Fontana | Fry |
| Gagliano | Gagnon (Bonaventure—Îles-de-la-Madeleine) |
| Galloway | Gauthier |
| Gerrard | Godfrey |
| Godin | Goodale |
| Graham | Gray (Windsor West/Ouest) |
| Grose | Guarnieri |
| Guay | Guimond |
| Harper (Churchill) | Harvard |

Government Orders

PAIRED MEMBERS

Hopkins
 Ifody
 Jackson
 Keys
 Knutson
 Landry
 Laurin
 Leblanc (Longueuil)
 Leroux (Richmond—Wolfe)
 Lincoln
 Loubier
 Maclaren
 Maloney
 Marleau
 Massé
 McKinnon
 McTeague
 Mercier
 Mills (Broadview—Greenwood)
 Mitchell
 Murray
 Nunez
 O'Reilly
 Paradis
 Parrish
 Payne
 Peters
 Picard (Drummond)
 Pillitteri
 Pomerleau
 Reed
 Richardson
 Ringuette—Maltais
 Robillard
 Scott (Fredericton—York—Sunbury)
 Sheridan
 Speller
 Steckle
 Stewart (Northumberland)
 Taylor
 Terrana
 Tremblay (Rimouski—Témiscouata)
 Ur
 Vanclief
 Volpe
 Wells
 Wood
 Zed—177

Hubbard
 Irwin
 Jacob
 Kirkby
 Kraft Sloan
 Lastewka
 LeBlanc (Cape/Cap-Breton Highlands—Canso)
 Lee
 Leroux (Shefford)
 Loney
 MacAulay
 Malhi
 Manley
 Martin (LaSalle—Émard)
 McCormick
 McLellan (Edmonton Northwest/Nord-Ouest)
 McWhinney
 Milliken
 Minna
 Murphy
 Nault
 O'Brien
 Ouellet
 Paré
 Patry
 Peric
 Phinney
 Pickard (Essex—Kent)
 Plamondon
 Proud
 Regan
 Rideout
 Robichaud
 Rock
 Shepherd
 Simmons
 St. Denis
 Stewart (Brant)
 Szabo
 Telegdi
 Torsney
 Tremblay (Rosemont)
 Valeri
 Verran
 Walker
 Whelan
 Young

| | |
|---|-------------|
| Assadourian | Bachand |
| Bakopanos | Bellehumeur |
| Cauchon | Dubé |
| Gagnon (Québec) | Harb |
| Jordan | Lalonde |
| Langlois | Lebel |
| MacLellan (Cape/Cap-Breton—The Sydneys) | McGuire |
| Sauvageau | Thalheimer |

(1750)

The Speaker: I declare Motion No. 1 carried.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment, Lib.) moved that the bill, as amended, be concurred in.

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

The Speaker: All those opposed will please say nay.

Some hon. members: Nay.

The Speaker: In my opinion the yeas have it.

[*Translation*]

Mr. Boudria: Mr. Speaker, I would invite you to ask the House to give its unanimous consent to apply the results of the vote on Motion No. 1 to the motion now before the House.

[*English*]

The Speaker: Is it agreed?

Some hon. members: Agreed.

[*Editor's Note: See list under Division No. 363.*]

The Speaker: I declare the motion carried.

* * *

PRIVATE MEMBERS' BUSINESS

On the Order: Private Members' Business

That, in the opinion of this House, all private members' bills that have passed second reading during the first session of the 35th Parliament and are presently at committee or report and the third reading stage should stand for the second session of the 35th Parliament.

NAYS

Members

Abbott
 Breitzkreuz (Yellowhead)
 Brown (Calgary Southeast/Sud-Est)
 Cummins
 Epp
 Frazer
 Grey (Beaver River)
 Hanrahan
 Harper (Simcoe Centre)
 Hayes
 Hill (Macleod)
 Hoepfner
 Johnston
 Manning
 Mayfield
 Mills (Red Deer)
 Ramsay
 Schmidt
 Speaker
 Strahl
 Wayne

Ablonczy
 Bridgman
 Chatters
 Duncan
 Forseth
 Gouk
 Hanger
 Harper (Calgary West/Ouest)
 Hart
 Hermanson
 Hill (Prince George—Peace River)
 Jennings
 Kerpan
 Martin (Esquimalt—Juan de Fuca)
 McClelland (Edmonton Southwest/Sud-Ouest)
 Morrison
 Ringma
 Solberg
 Stinson
 Thompson
 White (North Vancouver) —42

Government Orders

The Speaker: The hon. member for Lethbridge is not present to move the order as announced in today's Notice Paper. Accordingly, the motion will be dropped from the Order Paper pursuant to Standing Order 42(1).

It being 5.55 p.m. the House stands adjourned until tomorrow, wonderful Wednesday, at 2 p.m. pursuant to Standing Order 24(1).

(The House adjourned at 5.55 p.m.)

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| | |
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| | |
|---|-------|
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|---|-------|

| | |
|---|-------|
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Excise Tax Act

| | |
|--|-------|
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Manganese-based Fuel Additives Act

| | |
|---|-------|
| Bill C-94. Report stage | 16056 |
| Motion agreed to on division: Yeas, 177; Nays, 42 | 16056 |
| (Motion No. 1 agreed to.) | 16057 |
| Motion for concurrence | 16057 |
| Ms. Copps | 16057 |

Private Members' Business

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|-------------------|-------|
| The Speaker | 16058 |
|-------------------|-------|