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(HANSARD)

Friday, March 15, 1996

Speaker: The Honourable Gilbert Parent

CONTENTS

(Table of Contents appears at back of this issue.)

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HOUSE OF COMMONS

Friday, March 15, 1996

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

SUPPLY

ALLOTTED DAY—CHURCHILL FALLS HYDRO CONTRACT

Mr. Chuck Strahl (Fraser Valley East, Ref.) moved:

That this House condemn the government for its neglect of Labrador, and for refusing to resolve the injustice of the Churchill Falls hydro contract, thus perpetuating interprovincial trade barriers and denying the residents of Labrador the right to enjoy the benefits of their own natural resources.

He said: Mr. Speaker, it is a pleasure to lead off the debate on what I think is an often neglected subject in the House of Commons. Labrador is a region of the country that is the news for its natural resources and for its natural beauty. It is something we appreciate as part of Canada. However, it is an area that is taken for granted and has been taken advantage of for years.

It is time to address some of those issues in this debate. I hope that during the discussion we will be able to decide how we can better appreciate the assets of Labrador and correct some of the wrongs that have been perpetrated on the region in the past.

Yesterday during question period we discussed how a contract was awarded in Atlantic Canada but was taken away from a Halifax firm and awarded to someone in another province. Atlantic Canadians, and in particular Labradorians, feel that has happened far too often.

The Churchill Falls contract has been a severe irritant to the people in Labrador since it was signed 25 or 26 years ago. The contract forces Labrador and Newfoundland to sell its power to Quebec, which in turn sells it to the Americans. The price is jacked up 25-fold and Quebec reaps the benefits of a deal that pays almost no return to the people of Labrador.

The people of Labrador deserve much better than this. For 25 years they have sent off their electricity, specifically, and in return have received almost no benefits. They have had almost no infrastructure spending in their region. They do not have a passable highway through their region. They do not receive the tax benefits of a deal that is worth \$800 million a year to Quebec.

Every time a premier from Newfoundland says: “We are going to renegotiate, we are going to be tough, we are going to force the federal government to use some of its powers” nothing happens. This has been going on for a long time.

Labradorians are going to make another choice in the next election about who will represent them best in the House of Commons. They will be looking to see how sincere the federal government is in addressing what has been, as we all know, an injustice to the people of Labrador.

Recently we have been hearing more talk from the government side that it is working on an internal trade agreement that will help the free flow of goods between provinces, including trade in electricity. Two years ago it came forward with a trade agreement that would break down the internal barriers to trade. However, the energy chapter is missing. It said not to worry, that by July of last year it would have the energy chapter all intact. That did not happen.

By September of last year a government spokesman said: “Now we will have the contract” but again it was not signed. In other words, the federal government does not seem to be able to understand that an internal trade barrier called Churchill Falls is holding up the entire internal trade agreement. It seems unwilling to exercise its powers and influence to strike that trading barrier down. During the day other speakers will be elaborating on specific points.

I would like to emphasize that although there is much the federal government can do to address this wrong, some of the feel good messages being sent out by the new Quebec premier about how he wants to get along with people, mend fences and so on, it would be a good time for him to express some of those feelings of goodwill in striking a new agreement with Labrador on Churchill Falls.

It is not enough to say we would like to get along. If something is unjust and we know it is unjust, then it needs to be addressed. I

Supply

would hope that the new Quebec premier will take the opportunity during these negotiations on the internal trade agreement to fix what is an absolute injustice to Labrador and renegotiate that contract.

In 1969 Newfoundland signed a deal that sold power from Churchill Falls to Quebec for 65 years. Newfoundland signed this deal for two reasons. First, there was an energy glut at the time. It was before the rise of OPEC, the rise in the cost of energy generally in the world.

Second, Quebec frankly refused to allow Newfoundland to build transmission lines on its soil in order to transmit that electricity to the New England states where it was to be sold. In essence Newfoundland had to sign the deal. There is a contract, there is a deal and that cannot be denied.

The deal is so bad and so unjust that it is time not only the Quebec government, but the federal government, waded into this fray and said this is so wrong and it needs to be addressed.

• (1010)

Labrador has no access by land to the rest of North America except through Quebec. Quebec at the time had Labrador over a barrel. Labrador and Newfoundland signed. I wonder where the federal government was at the time. It was an unjust deal. Trudeau refused to deal with it. Clark refused to deal with it. Turner did not deal with it. Mulroney would not deal with it. The current government seems content to talk about it some more. It is talking and it urges us to be patient.

The people in Labrador are tired of being patient. When does the deal expire? It does not expire for another 45 years. For 45 more years the people in Labrador are expected to sell their power at one twenty-fifth of the going rate. Twenty years from now there is a renegotiation clause and the rate will drop again. Labrador will get even less money. It is so unjust that it has to be remedied.

Quebec has an opportunity to show its good faith and willingness to negotiate. The premier of Quebec says he wants good relations as a sovereign nation. It would be a good step for him to renegotiate a contract that is obviously unjust. At the end of this contract in 2041 Labrador will have transferred almost \$50 billion to Quebec under this contract. That is \$800 million to \$1 billion a year. I understand that Quebec signed in good faith at the time but they need now to address an injustice.

The federal government can do something. It could not break the contract, of course. However, it could regulate interprovincial trade. This is one of the powers that should be enhanced as we reconfigure Confederation. Many things should be transferred to the provinces. This is what the Reform Party has said time and time again. We should allow the provinces, Quebec, Labrador and

Newfoundland, all the provinces to benefit from their own natural resources. We should transfer many of the responsibilities to the provinces. I think that realignment of powers is a good sign.

One of the things the federal government should do is strengthen its power to regulate and to strike down interprovincial trade barriers. Those barriers cost Canadians between \$3 billion and \$5 billion a year. The first thing we must do is strike down those barriers if we are to have a free trade agreement that works in North America and the world.

In July of 1975 the minister of energy, Alastair Gillespie, said in a speech in Labrador that he favoured the use of the BNA act to declare hydro lines to be under federal jurisdiction so that they could be built across provinces.

In the west we do not deal much in the transfer of electrical energy, although certainly it is transferred without interest. However oil and gas products are transferred across provinces without an \$800 million a year transfer in western Canada.

In 1976 the member for Grand Falls—White Bay—Labrador, Bill Rompkey, now a senator, and the person whose seat in Labrador is now vacant because he has been bumped up to la-la land in the other place, asked this of the minister of industry.

—is the Minister now optimistic that hydro resources in Labrador can be developed for the benefit of the Atlantic region, and will he ensure that the full force of his office, and indeed the Government of Canada is used to bring this about?

Of course there was no answer from the government of the day. Mr. Rompkey said he would talk about it and maybe someone would fix it some day. Here we are 20 years later asking a Liberal federal government about Mr. Rompkey's comments. Is it willing to champion the cause of Labrador and make this deal and the future development of lower Churchill Falls an important issue for the federal government? It does not seem to be.

• (1015)

It is interesting that other parties have made comments about this. In 1976 John Crosbie, the member for St. John's, said: "The federal government has put us in the hands of Quebec". To that a parliamentary secretary on the Liberal side responded: "The government has a strong preference to explore the co-operative approach and to consider exercising constitutional leverage only as a last resort". In other words, "we would like to talk about it", they said in 1976, 1977, 1978, 1979 and for the rest of time, "and Labrador just has to be patient. You do not get a road. You do not get to develop your own assets. You do not get to benefit from future development".

People now in Labrador are saying: "Are we even going to benefit from Voisey Bay? What do we do, just take it on the chin? You eliminate our fish stocks. You take away our way of living.

Supply

You take away our future prospects for benefiting from our own natural resources". It is a shame.

In 1980 Mr. Trudeau, another well known Liberal, said: "The federal government could act if two conditions were met: if Newfoundland had an actual contract to sell power and if Quebec charged too much to transfer that power to Newfoundland". He said the federal government would act. He said an unreasonable charge would constitute a trade barrier.

This places Labrador and Newfoundland in a catch-22. How can they enter into a contract when they cannot get permission to transfer their power? If they cannot get permission, how can they get a contract? If they cannot get a contract the feds say they will not act. There they are hung on the horns of a dilemma saying: "We would like to develop something. We would like to put forward a proposal but we are not allowed to wheel our power through Quebec and we are not allowed to build transmission lines. What are we supposed to do?"

The federal government should step in and say it wants to help Newfoundland and Labrador and it is willing to do it in a couple of ways. There are a couple of avenues for addressing this problem.

The first thing the government could do is follow up on a recommendation by a federal government mandated group which tabled a report in 1988 called "Energy and Canadians: Into the 21st Century" which we are approaching. The section entitled "Federal Government Role" recommends:

The federal government should articulate the conditions under which one province has a right to access, on a business basis, another province's electricity corridor or electrical grid for the purpose of transmitting electricity to a market not adjacent to the first province.

In other words, in 1988 again it said: "The federal government should set out the terms and conditions that we could transfer power from one region or one province through another province for sale". The federal government should do that and that has been recommended by that government mandated group back in 1988, which again promised to do something about it.

That is the first thing the government should do. It should state the right of provinces on interprovincial trade, that the right exists. The government should say it will happen, the right exists to transfer power on the electricity grid, to wheel power through another province for sale. The federal government should say that is part of its job and it will do it. It would not require legislation. It is a statement of policy. That is what we should at least be attempting, but the federal government is reluctant for some reason to even do that.

If that is not enough the federal government could take another step. Several suggestions were made by the National Energy Board in a study in 1992. If people in Atlantic Canada could live on

studies they would have a very high standard of living. They have been studied to death and everyone tells them they all need help.

The Inter-Utility Trade Review in 1992 suggested several amendments to the National Energy Board Act. One suggestion was to amend the act to give the NEB the power to open up Quebec's transmission lines to allow exports of electricity to other provinces and regions. We are not talking about expropriating any land from Quebec. We are talking about the opportunity to use the lines. Other provinces do it; why not through Quebec? The NEB act could be amended to do that.

The same study talked about the huge benefits of that free trade in electricity; up to \$3 billion a year Canadians would benefit from. Another NEB suggestion which can be used is that we can ask for a land corridor to build a new transmission line through another province. We have the power to do that. Section 58(4) of the National Energy Board Act says we can designate a corridor through Quebec.

• (1020)

However, we have to do something because it has been talked about for 25 or 26 years with promises of more studies, talks and negotiations. If the people in Labrador and Newfoundland are told they have to pay 25 or 30 times more for the power to run their own homes and businesses than the selling price is for export, it is unacceptable. The people in Labrador deserve the right to develop and benefit from their own natural resources.

If anything is to come out of the negotiations to settle what role each level of government has in the future of Canada, surely the people who should benefit from the natural resources should be in the province that owns the natural resources. Certainly Quebec would want and demand, and rightfully so, the control over its mining regulations and control over its own destiny when it comes to natural resources. B.C. demands the same thing. Labrador and Newfoundland demand it and should get no less. It is \$800 million a year which is not going down the tubes but down the lines and the people are not getting the benefit of it.

The people in Labrador have been taken for granted for too long. It is time the federal government stood up for them and said it will do something, that it will articulate a policy to request that the internal trade barriers come down, that the people in Newfoundland benefit, that the people in Labrador get to develop their natural resources, that Voisey Bay will not be farmed out to Ontario or to another province, that Newfoundland and Labrador will have the electricity, power and access to the natural resources so that they can become a have province and not dependent on others for a federal transfer payment.

If we were to move that way today and at least say that is to be the policy of the government and the thing we are striving for, we could send a message to the people in Atlantic Canada that they are

Supply

not there only for the votes come whatever, but that they are also there because they deserve the right, as Reform Party policy states, to develop their own natural resources.

I hope the House will agree with me today. I anticipate and hope someone on the Liberal side has been studying this issue and will say more than we should talk, study and think about it, but that they are now ready to act.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonnette, BQ): Mr. Speaker, I have a certain amount of respect for the previous speaker, after working with him in the human rights committee. If I were a teacher and you were to ask me to assess how rigorous his arguments have been this morning, however, I would be forced to give him a big fat zero. Let me explain.

What we are dealing with is a dispute between two self-managed crown corporations with their own administrative policies. An hon. member rose in the House this morning—and I think that this shows a lot of nerve, not to say chutzpa, even a little rudeness on the part of the Reform Party—to put forward an opposition motion urging the federal government to intervene in a dispute between two crown corporations.

You may tell me: “Yes, but a dispute is possible in relation to what is most sacred in law, namely a contract”. Anyone who went to university and took a few law courses knows that a contract is what binds the parties in a world where order, justice and equity mean something.

How can the hon. member rise and ask the federal government to intervene in an area that is none of its business on the basis of a contract that was signed by what we can assume are two enlightened, knowledgeable parties and that runs until the year 2031? How can the hon. member show so much disrespect for Quebec, its premier and its representatives by rising in this House and telling us that it is unfair?

Through you, Mr. Speaker, I would ask the hon. member to pay a little more respect and remind him that, in our system, when people sign their names to a legal document called a contract, they are bound by it. If this means nothing to Reformers, it just goes to show that those people will never form the government.

[*English*]

Mr. Strahl: Mr. Speaker, I will be interested to hear some of the speeches from the hon. member during this debate.

It will come down to the position of the member.

• (1025)

I am not disputing a contract exists. I have never said that. It has already been to the Supreme Court. The contract exists, but is it right? Would Quebec feel it is right? I do not think so.

Quebec might say “there was a contract and they got us over a barrel. We are taking power at one twenty-fifth of the going rate and for doing that we are netting \$800 million to \$1 billion a year. We have them by the shorts and for the next 35 or 45 years we will take the boots to them and say they signed so suffer and live with it”.

I will ask the hon. member during the speeches that follow if it is just. It is not just. The member knows that. Nobody foresaw the OPEC situation; nobody saw the escalation in prices and demand. Because of this we have a deal which for the next 65 years will keep Labrador and Newfoundland in a have not position; three generations.

We will allow that area to be depopulated. We will allow the people there to suffer the consequences because the deal gives us \$1 billion a year. If a deal was signed that would last three generations to the effect that Quebec will take the shaft for the next 65 years at \$1 billion a year, would the member say *c'est la vie*, whatever? I hope he would be up saying Quebec is getting ripped off, that it is not fair and it is not just. If it is not just it needs to be addressed, which is what I hope the new premier of Quebec will do, address an injustice, something that is not fair.

On the legality of the contract, by all means I know it is legal. If by the contract they want to let someone suffer, if they think that is fair, they can do it. I hope they would not. That is one issue.

The other issue is what is the position of the Quebec government on a land corridor for transferring other power from the lower Churchill Falls site? What is its position on the fact that one should be allowed to wield power through the province of Quebec as is done in all other provinces? It is now becoming a North American grid. I hope it would say: “By all means, if you develop Lower Churchill in the years to come you can have either access, a land corridor to transfer that power, or you can have access to our own existing hydro lines to wield the power as we do through all other regions and areas in North America”.

There are two issues. Is it just? It is not just. That should be addressed and corrected. More important, “We will not let this continue. We will give you access to our lines and we will give you access to if not that at least a land corridor, something so you can benefit from Voisey Bay mineral deposits with the smelter that will come. We will not make you suffer any longer”. That is what is will come down to.

Mr. John Richardson (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the debate on the Churchill Falls contract has been in the

House many times. I put the emphasis on timing because this has been given a thorough contract and has gone all the way to the Supreme Court of Canada which ruled that it was a binding contract.

It is the nature of the Reform Party's presentation that concerns me. Reformers came here saying they would do business differently, that they would play. The only reason they are here today is there is a byelection in Labrador. That is the only reason they would ever bring this forward. They cannot hide behind something like that.

We hear the praises that they will pave their roads. Those poor people are being taken down the garden path that you will fix the Churchill Falls agreement. Again, that is something you cannot deliver on.

The Deputy Speaker: Would the hon. member please address his remarks through the Chair and remember that from now on.

Mr. Richardson: Do you think—

The Deputy Speaker: This is the second time. The member is a parliamentary secretary now. I ask the member to obey this rule in the House and put his remarks through the Chair.

Mr. Richardson: Mr. Speaker, I should know better.

• (1030)

I wonder if the party opposite understands that this is an issue which has been given thorough examination by the House and by the Supreme Court. Even though on the surface it looks like it is a bad contract—and it is a bad contract in my mind—it is a valid contract. When a contract is valid the parties have to live with it, unless one side is prepared to acquiesce and say it thinks it is bad and it would like to amend it. That is the only way the contract can be changed.

Does the hon. member know of another method?

Mr. Strahl: Mr. Speaker, it is interesting that the Liberals say we are not a national party because we do not have any members of Parliament from Atlantic Canada. We are definitely trying to be a party from coast to coast. We are running candidates all over the place. We are running in all the byelections.

When we do our job, when we are out there addressing issues from coast to coast, the member says that we should not be there. I do not know if he wants us to ignore it. I do not know what he expects. However, we are going to be there. We are not going to go away. We are going to be there in his face in the next election. He might as well get used to it because that is the political fact.

We have never said that we should pave a road from one end of the riding to another. We have never said that a paved road is going

Supply

to be practical. It is never going to be practical to spend that kind of money. However, there could be a road that is at least serviceable, at least a gravel road, something the rest of us take for granted. They just tell people to take a skidoo and have a nice day. We could at least promise them not a paved road with shoulders but a gravel road that could be serviceable so that when the spring breakup comes they do not have to park their vehicles until July.

I have already mentioned three things the government can do. First is on intent and policy. The internal trade agreement is being renegotiated. It has been two years since the energy chapter was promised and it has not been delivered. During the discussions on the energy chapter of the internal trade agreement the federal government could put its foot down and say it is going to break down the barriers to trade.

Second, the government could instruct the National Energy Board to amend the act to allow access either through a land corridor or through a wheeling mechanism to allow electricity to be sold in other areas.

Finally, we should allow Labrador in the very near future, as it develops Voisey Bay and the other rich mineral deposits that are going to pull that province up from a have not province to a have province, to have access to as much electricity and power as it needs so it can develop and benefit from its own natural resources in the years to come.

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, it is with great enthusiasm that I participate in today's debate.

I take great exception to the hon. member's motion. Historically the federal government has been a firm supporter of Newfoundland and Labrador and its economic pursuits. I might remind the House that it was a Liberal government that negotiated Newfoundland's entry to Canada.

The Reform Party introduced today's motion because there is a byelection in Labrador and it hopes to gain votes by pretending to be a voice for the people of Labrador. The Reform Party took an interest in Labrador only after its member of Parliament, the hon. Bill Rompkey, moved to the Senate causing the byelection. There is no evidence that this issue was important to the Reform Party before that.

The Reform Party election platform only makes reference to the revenue from hydroelectric projects in relation to equalization. It states:

The Reform Party supports the inclusion of economic rents from hydroelectric activities in the public revenue of all provinces for the purpose of calculating the size of federal-provincial transfer payments.

In general, the Reform Party supports energy policies based on market mechanisms with no government involvement.

Supply

What makes the Reform Party think it will be able to find a new resolution to this longstanding issue which has been debated by experts for years and heard by the courts?

The Reform Party, which it says is a strong supporter of free enterprise, is questioning a contract which has been ruled valid by the Supreme Court. By raising this issue the Reform Party may be trying to mask its extreme right wing economic agenda which is not attractive to the voters of Labrador.

• (1035)

The Reform Party plans to turn programs such as employment insurance and the Canada Pension Plan into personalized savings accounts or private insurance. That will not find support among the workers in Labrador. The Reform's opposition to any active role by governments in economic development and creating new employment opportunities would indeed hurt the workers of Labrador.

The Reform Party avoids telling the voters of Labrador about its opposition to regional development programs. It thinks that regional development spending in Atlantic Canada has been a failure and Reform would slash programs and eliminate subsidies. The hon. member for Capilano—Howe Sound sums up what his party thinks about Atlantic Canadians and regional development by saying: "We do not give money to our children after a certain stage because we know if we keep giving them money they will never become independent. Sometimes the best things we can do for our children is say no".

Another Reform member of Parliament in his determination to uncover failed attempts at regional development by ACOA resorted to exaggeration to try to make his point. The member attacked ACOA for giving \$22,323 to a food research centre at the University of Moncton for a study to develop blueberry jelly for Mega Bleu, a company in Tracadie, New Brunswick. In fact, ACOA had only granted \$6,000 and would increase the amount only if the company decided to market its product. Moreover the money was not for jelly but for blueberry products.

The same Reform MP told Nova Scotians he would run there in the next election. When asked about this by a newspaper in his riding in British Columbia, he said: "I was trying to be nice because I knew it would be in the Atlantic Canadian papers. I did not want to say: Who the hell would want to run there?" That is a quote from the Halifax *Chronicle Herald* of September 22, 1995.

I remind all members of the House that this federal government has a long history of partnership and co-operation with all the provinces and territories. In no way would this government hinder responsible resource development in Newfoundland and Labrador. It has a solid record of working with that province to resolve outstanding issues and dismantle barricades to resource development.

For example, I look at how the federal government is working with Newfoundland and Labrador and other stakeholders to resolve issues surrounding mineral development in Voisey Bay. For more than three decades the federal government has been working with Newfoundland and Labrador on the development of its hydroelectric resources. I can cite countless examples of federal support to my province. Recent examples include the Hibernia development project. We are encouraged with the progress that is being made in connection with the Terra Nova project.

We should establish at the outset that the rights of the provinces in the area of natural resources are clearly set out in the 1982 amendment to the Constitution Act, 1867. Those rights are exactly the same for every province.

The province of Newfoundland and Labrador has the complete right to enjoy its own natural resources. It further has the right to control the development of these resources and any benefits from financial gains by way of royalties and taxes. The same is true again for all provinces.

All crown lands within Newfoundland are owned by the province of Newfoundland. These ownership rights give the province the right to royalties from mineral developments such as in Voisey Bay, as well as for all oil and gas development within the province's boundaries. The province also has the right to royalties from offshore oil and gas development such as Hibernia. The same would be true for any other similar projects brought on line.

These rights are clearly set out under the legislation and are further guaranteed under a number of co-operative agreements between the federal government and the province of Newfoundland and Labrador.

That ownership of crown lands also gives the province the right to control the development of forestry resources. That right has allowed Newfoundland to develop and maintain a sustainable forest resource.

The ownership of crown lands is only one way in which Newfoundland has the right to benefit from its natural resources. There are many other ways which are equally important. The province of Newfoundland and Labrador has the constitutional authority to legislate natural resource related works and undertakings within its boundaries. That constitutional responsibility also gives the province jurisdiction over the generation and distribution of electricity.

• (1040)

I mentioned the amendment to the Constitution Act which clarifies the rights of provinces to control their own natural

resources. The amendment deals with provincial rights concerning non-renewable natural resources and it includes forestry resources and electricity. The amendment states that provinces can make laws regarding the exploration for natural resources. Again, all provinces have this right, including Newfoundland.

The provinces may further pass laws covering the development, conservation and management of non-renewable resources as well as forestry. Again all provinces have the right to make laws concerning the generation and production of electricity including everything from development to conservation to the management of the sites and facilities. In addition, Newfoundland and all other provinces have the constitutional right to pass laws regarding the export of electricity. They can pass legislation covering the taxation of electrical generating facilities.

Some members may feel these rights should be changed, expanded or perhaps cutback. My own view is that they represent a reasonable and fair allocation of authority. These rights are clearly outlined and equally applied. I cannot see how these rights have in any way been denied to Newfoundland or any other province.

Newfoundland has constitutional control of its natural resources as do all other provinces. It is Newfoundland that decided how those natural resources would be developed, how they would be conserved and it is Newfoundland that will decide what the best advantage is.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I have just listened to an astounding speech. I cannot believe that a member from Newfoundland would take the stance that it is okay to hold her constituents' heads under water while their pockets were being picked.

The member did not address the motion in any way that I could understand. Does the hon. member agree that Newfoundlanders should bear the brunt of this injustice over the next 45 years? Should her constituents do without the benefit of the resources that will help them build their economy, give them jobs, put their children in schools, put money on the table, give them independence? Who does the member represent? Does she represent her constituents or does she represent the Liberal Party in this Parliament?

Mrs. Payne: Mr. Speaker, I do represent my constituents and I do represent the province of Newfoundland. I am very glad to be able to do that.

I do not concur with breaking a legitimate agreement that was put in place and which has gone through the courts and has been ruled as a legal and binding agreement. Another member of the third party was asked earlier what he would do to renegotiate the agreement. He was unable to provide an answer. Does the hon. member have any suggestions as to how to renegotiate this?

Supply

Mr. Mayfield: Mr. Speaker, inasmuch as I was asked the question, I would be happy to respond. I am going to respond very briefly because I will have the opportunity to deal with it in detail in my speech.

When the member says the hon. member for Fraser Valley East did not offer any suggestions, that is entirely inaccurate. She is correct when she says that there is a legitimate contract. The Supreme Court has even ruled on that. What she does not say is that there are other avenues the federal government could take to relieve Newfoundland of this burden. The member does not speak of those but the hon. member for Fraser Valley East certainly did and I will be referring to them later in my speech.

• (1045)

[Translation]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, why is this motion being put forward today? Why waste the time of this House again when we have already wasted two consecutive days this week? The motion reads as follows:

That this House condemn the government for its neglect of Labrador, and for refusing to resolve the injustice of the Churchill Falls Hydro Contract—

And so on. The motion talks about injustice. But as far as I am concerned, the Reformers do not know the meaning of the word "injustice". In a moment, I will give them a brief history of these contracts which, as my hon. colleague from Newfoundland said earlier, were entered into in good faith.

Why is this motion before the House today? It is a matter of political expediency for the Reform Party, and that is cheap. You all know as well as I do that a number of byelections are coming up. Had they not been motivated by these byelections, I hope that they would have chosen a different topic for this opposition day.

You know that the unemployed are worried. In my riding, 5,000 of the 6,500 residents of a small town took to the streets. Not all demonstrators were from Amqui of course. Some of them came from outside of town to show support.

We are going to debate this motion here, while jobless people are in the street. Nice doing. Even at the political level, I am sure that putting this motion before the House and condemning this government will not do much to help the people of Labrador. When I first came to this House, two years or two and a half years ago, it thought that the Liberal government was extremely centralizing and was under the impression that the Reform Party was a tad more understanding toward the provinces.

Today, I realize that the Reformers are worse than the Liberals. They are in fact asking the government to meddle in the provinces' affairs on the pretext of resolving an injustice. I should remind the hon. member from the Reform Party that his party's position is to

Supply

the effect that the provinces should enter into agreements between themselves and increase interprovincial trade as much as possible.

Here is what a document, released by that party in January 1996, says: The Reform Party's vision of a new Confederation is that of a Canada in full expansion, that of a stronger and more creative country—how nice—which is as rich, as prosperous and as varied as our land. Our vision rejects the overcentralization of powers in the hands of a few, while insisting on the numerous benefits of a more equitable distribution of powers everywhere in the country and to the provinces.

Does the hon. member not agree with his party's proposals? Is he telling us that his party's vision is only for election purposes, and that if the Reform Party ever becomes the government, which would be a tragedy, it would be much more centralizing than the current government? And Heaven knows that the government opposite is very centralizing. Imagine the worst.

I would like to give a brief historical outline. I could go back to George V, but I will start in 1963. At that time, Hydro-Quebec said that it was prepared to buy all the electric power produced at Churchill Falls, provided it could sell its surplus to Ontario.

• (1050)

Negotiations got under way in 1963, but the parties could not agree on production costs and on a price per kilowatt-hour. Three years later, in 1966, Hydro-Quebec again offered to buy the energy produced at Churchill Falls and, this time, accepted to pay the asking price.

As you can see, the contracts were not entered into lightly. It took three years of negotiating before finally reaching an agreement, in 1966. Daniel Johnson senior was somewhat reluctant to sign the deal, and rightly so, because he feared that the agreement might be interpreted as a tacit approval of a 1927 Privy Council decision regarding the border between Quebec and Newfoundland, following which Labrador became part of Newfoundland. You are all aware of that dispute.

Finally, on October 30, 1966, Johnson endorsed the Hydro-Quebec proposal, taking pains to make it clear his authorization was not of a Newfoundland-Quebec agreement but rather of one between Hydro-Quebec and the Churchill Falls and Labrador Co., alias CFLCO.

Six years after negotiations began, on March 12, 1969, the contract was signed, for the term that has just been referred to: 65 years. It stipulated that Hydro-Quebec would receive 5,225 megawatts from Churchill Falls. Another 300 of the megawatts produced at the Falls would be reserved for the Newfoundland companies.

The contract was not a one way negotiation; the two parties held discussions for years and this was the conclusion they both

reached. In exchange, Hydro-Quebec accepted the bulk of the financial risks associated with the project, assuming a portion of the eventual expenditure outlay. It also contributed its technology in the area of high voltage transmission lines. At that time, this was what Newfoundland needed. We should note that the Smallwood government of Newfoundland approved and signed the contract. It bears the signature of the premier himself.

In 1974, Newfoundland nationalized CFLCO and, in 1984, as has been said, the Supreme Court, in a unanimous decision—which is rather rare—in favour of Quebec, rejected Newfoundland's 1980 request to break the contract between CFLCO and Hydro-Quebec. In 1988, another Supreme Court decision confirmed the primacy of the contract signed in 1969.

The Reform Party has a lot of nerve terming this an injustice. The contract was the result of years of negotiations, and both parties were satisfied with its terms, as well they should. My hon. colleague should keep in mind that all of the provinces in this country sign trade agreements and have met on several occasions recently to try to lessen internal trade barriers.

Increasingly there are agreements with Ontario, with New Brunswick, with the Maritimes, that do not involve the federal government. We want to see more of this. It is far easier for provinces to reach agreements between themselves than with the federal government. This is why we are anxious for sovereignty, so that we can negotiate with Canada as well, for that will lead to agreements and to our being heeded more than in the past.

• (1055)

It is not up to the federal parliament to dictate the behaviour of these two provinces in an area that comes under provincial jurisdiction exclusively according to the British North America Act. The government's interference in an agreement reached between two provinces strikes me as totally unacceptable. I hope the government shares my view.

My colleagues from the Reform Party, who don the garb of ardent defenders of federalism for a day, should understand that provincial relations is a matter for the provinces. I am still surprised that my colleague has tabled this motion in the House.

The members of the Reform Party are always calling for decentralization and returning matters to the provinces, and yet, today, they are playing petty, second rate politics with this motion. They think they will earn votes in Labrador by defending the people there and claiming an injustice has been done.

In other words, we Quebecers are penalizing the people of Labrador, because a contract was properly signed. Even the Supreme Court says this contract is valid and meets the required standards, and must therefore be adhered to.

I would like to ask the Reform Party to withdraw the word “injustice”, because it is not injustice that Quebec is creating. We even have agreements with Newfoundland on a number of matters. We have teachers working in Newfoundland, and relations are excellent.

Certainly, the going gets a bit rougher when its premier, in his capacity as representative of all the people of Newfoundland, told us that the five little conditions we were looking for in the Meech Lake accord were not acceptable. At that point, on some issues it really hurt and it hurt a lot.

However, as far as the contract is concerned, it was signed by two firms, not the government, and it is valid. There is no injustice, and it takes a lot of nerve to call the contract unjust.

The Speaker: My dear colleagues, it being 11 o'clock, we will now proceed to statements by members.

STATEMENTS BY MEMBERS

[English]

AQUACULTURE INDUSTRY

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, at the same time that Atlantic Canada's marine fishery continues to decline, world aquaculture production is expanding. In fact, it will account for 25 per cent of the total global fish harvest by the turn of the century.

I am proud to announce an important initiative in the Atlantic aquaculture industry. Recently at the Nova Scotia Agriculture College in Truro I had the pleasure of announcing a Bachelor of Science degree program in aquaculture. This program was made possible by more than \$1 million in funding from Atlantic Canada Opportunities.

The aquaculture science degree program will provide our youth with the opportunity to train in a sector where there is tremendous potential for economic growth.

The University of British Columbia and now the Nova Scotia Agriculture College in Truro are the only two degree granting programs in aquaculture in Canada. With the huge coastline of the Atlantic provinces, this is a bold step forward in partnership to educate our youth for future jobs in fish farming.

* * *

EMPLOYMENT

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the Prime Minister displayed amazing ignorance about how jobs are created when he said a few weeks ago that it is now up to business to spend money to create jobs.

How would the Prime Minister like it if he had a GIC paying 6 per cent interest but at year's end the bank sent a letter saying sorry, it created unnecessary jobs with the interest it was supposed to pay him, so there is no return on the investment? That is exactly what he is asking business to do, to create unnecessary jobs at the expense of its investment returns.

Businesses will create jobs when it is in their interests to do so, when they need more employees. Business has told the government how that can happen. Stop the deficit financing. Start running surpluses so that taxes can be reduced.

With more money in the pockets of consumers demand will increase and companies will need lots more employees. It is not a hard concept to grasp.

If the Prime Minister truly wants to help create jobs, budget surpluses and tax reductions are all it takes.

* * *

CESO INTERNATIONAL SERVICES

Mr. Janko Perić (Cambridge, Lib.): Mr. Speaker, it is with great pleasure that I rise today to welcome home one of my constituents.

Mr. Donald MacLeod of Cambridge has recently returned home from working overseas for CESO International Services.

Mr. MacLeod visited a recently privatized cold storage and food processing company in Russia, where he helped to introduce an investment evaluation program and installed a profit planning and project evaluation system to help this company become more profitable.

CESO volunteer advisers are professional, skilled, generally retired men and women who share their expertise with needy businesses and organizations in developing nations.

It is through the efforts of Canadians like Mr. MacLeod that we establish our national pride and international reputation. I congratulate him and CESO for their volunteer efforts.

* * *

WHAT CANADA MEANS TO ME

Mr. Larry McCormick (Hastings—Frontenac—Lennox and Addington, Lib.): Thank you, Mr. Speaker, for this opportunity to share information about an essay contest I am sponsoring in my riding of Hastings—Frontenac—Lennox and Addington: “What Canada Means to me”.

As we began this year one of my constituents, James E. MacDonald, suggested a contest that would provide an opportunity for citizens of HFL&A to express their love of Canada and to contribute in a positive way to Canadian identity and Canadian unity discussions. I decided to act on Jim's great idea.

S. O. 31

On Heritage Day constituents were invited to write a short essay. I invited the people of my riding to express their personal reflections on Canada and their vision of Canada in the future.

A red ribbon panel of judges will read the essays on the merit of heartfelt expression and love of Canada. Together we will select winners in three categories to be announced on Canada Day. The three winners will join me for lunch in the parliamentary restaurant, enjoy a tour of the Parliament Buildings and witness question period from the gallery.

I invite colleagues to stop by our table to congratulate the winning authors. I also invite members to borrow this idea in their ridings across Canada.

* * *

[Translation]

ECONOMIC DEVELOPMENT

Mr. Gaston Leroux (Richmond—Wolfe, BQ): Mr. Speaker, I am proud to tell this House about the success of the economic development policy implemented by the municipal council of Bromptonville, in the Quebec riding of Richmond—Wolfe.

A few years ago, the Bromptonville municipal council, headed by mayor Clément Nault, decided it would try to attract businesses to the region. Its initiatives took off and continue to be very profitable. Among other things, it developed an industrial park, which, with the large demand from these businesses for rental space, has grown steadily from the outset.

In addition, the Kruger paper company recently decided to build a \$20 million electric power plant at its Bromptonville factory, and a few days ago announced that it had selected Bromptonville as the site for a \$325 million glazed paper plant.

These excellent pieces of news provide me with an opportunity to congratulate the members of the Bromptonville municipal council on the undeniable success of their economic development initiative.

* * *

[English]

STRATFORD FESTIVAL

Mr. John Richardson (Perth—Wellington—Waterloo, Lib.): Mr. Speaker, I rise in the House today to talk about the Stratford Shakespearian Festival.

I note the important contribution that French Canadians have made to this success story. While the Stratford Festival is known as North American's foremost English speaking repertory theatre, this title does not reveal the whole truth.

It is a proud fact that the festival's success has come in large part from the dedication and skills of the theatre's French Canadian cast, crew and management.

Richard Monette, Berthold Carrière, Jean Gascon and Denise Pelletier are just a few of those Canadians with francophone backgrounds who have given so much of themselves to make the Stratford Festival what it is today. The festival is just one of many examples across Canada in which individuals from every culture and every language work hand in hand for the benefit of all. I encourage all Canadians to think about this and the many other examples of unity and tolerance that bless our great nation.

* * *

● (1105)

SYDNEY TAR PONDS

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, how much do the Liberals care about the Sydney tar ponds? The environment minister says: "We will let the province do the assessment". Now we hear the open cesspool of sludge is far worse than anyone ever thought. Talk about throwing money down the sewer.

Their infrastructure program was supposed to rebuild sewers, but they spent it on bocce ball courts. Instead of showing some leadership, instead of showing the people with the highest cancer rate in North America how much they care, they back away.

There is a recurrent theme here. When it comes to pouring money down sewers, the government is number one. No matter how much perfume it splashes on it, the vile odour of truth remains.

Its own MP, a Cape Bretoner from Sydney and health minister no less, gave a \$6,600 grant to a contributor to his campaign. What for? To study sewers in Jamaica. Is this a caring government?

* * *

NATIONAL UNITY

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, here is an example of what a group of Canadians in Peterborough riding are saying about national unity:

"We believe the only effective way to heal this country's wounds and avoid separation of its peoples is not to rely solely on the efforts of our politicians, but to do whatever we can as citizens, working in concert with you and others.

"We believe only a groundswell or grassroots movement of some kind can truly heal this country's wounds and avoid a separation of its people. Only individual Canadians of common purpose working collectively, massively, can make the profound impact that must be if this country is to survive".

These are excerpts from a letter to the Prime Minister from a small group in my riding working actively to strengthen Canada.

I call on all citizens and members of the House to join them.

* * *

CESO INTERNATIONAL SERVICES

Mr. Ovid L. Jackson (Bruce—Grey, Lib.) Mr. Speaker, Canadians are known in the world community as a generous and caring people. Canadians have a long and proud tradition of dedicating their efforts and energies to the less developed areas of the world in the name of fellowship, international development and peace.

I rise in this place to pay tribute to one of my constituents, Mr. Michael Blender of Chesley, Ontario, a gentleman who embodies this spirit.

Mr. Blender travelled to Guyana to advise a furniture supplier on manufacturing methods. He made a number of recommendations designed to improve product flow and quality and suggested types of supplies and machines and other equipment.

He went under the auspices of the Canadian Executive Services Organization. These volunteers are skilled women and men, usually retired, who willingly share their lifetime of practical experience with those in the rest of the world who need it the most.

Once again I congratulate Mr. Michael Blender of Chesley for his altruism and spirit of service to people of the world.

* * *

[*Translation*]

HULL CASINO

Mr. Mauril Bélanger (Ottawa—Vanier, Lib.): Mr. Speaker, the new Hull casino will open its doors next week.

I would like to congratulate the mayor of Hull, Yves Ducharme, and all the economic stakeholders in the Quebec Outaouais for their fine work on this initiative. Thanks to the casino, the national capital region has just added 1,000 direct new jobs and over 1,500 indirect jobs to its job creation record in the region.

The hotel sector alone hopes to rent an additional 75,000 rooms next year, for an increase of \$5 million. Overall, the annual economic benefit to Hull, the Quebec Outaouais, Ottawa-Carleton and Eastern Ontario will amount to several tens of millions of dollars. And that is to say nothing of the number of local inhabitants who will spend their money here rather than travelling somewhere else.

S. O. 31

Today, I pay tribute to the people of Hull and the Outaouais who, once again, have led the way in sustainable economic development in the national capital region.

* * *

DECENTRALIZATION OF POWER

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, Quebec sovereignists have long asked the federal government to stop acting with arrogance and a superior attitude toward Quebec. Last weekend, Daniel Johnson, a Quebec federalist, conveyed more or less the same message.

It is high time that the federal government stop using our money to brainwash us by drowning us in flags and advertising. It is high time that it at least listen to its allies in the Quebec Liberal Party, who are calling for more real decentralization. Otherwise, the centralizing Liberals in this government will widen the gap not only between the federal government and the sovereignists, but also between Ottawa and the Quebec federalists.

● (1110)

Your Canada's unity will not be built with a flag on the hood of a car or a beaver tail as consolation prize.

Those concerned should take note.

* * *

[*English*]

ATHABASCA RIVER

Mr. David Chatters (Athabasca, Ref.): Mr. Speaker, Canadians will be shocked to learn that northern aboriginal communities in my constituency are being treated unfairly by the government.

The government has declared it will stop dredging the Athabasca River this fall. This historic trade route links the city of Fort McMurray to these northern communities. When the coast guard stops dredging this river summer transportation and commerce on the river will stop. The proposed seasonal road linking Points North and Lake Athabasca will not be completed until the turn of the century. What are these communities to do until then?

The dredging of the Athabasca River must continue until this road is completed. I and my constituents do not understand why this road is proposed to the east end of the lake when a seasonal road already exists to the west end of the lake.

Ending the dredging will have a major environmental effect on the Athabasca delta. When the dredging stops the river silt will build up and block the river. The consequences could be as devastating as the Bennet Dam was.

Oral Questions

The government, which professes to be so green, must address these issues before major changes—

The Speaker: The hon. member for Erie.

* * *

TERRORISM

Mr. John Maloney (Erie, Lib.): Mr. Speaker, Canadians are deeply disturbed by the pernicious effects of terrorism. We are outraged by recent incidents of terrorism such as the subway poison gas attack in Tokyo, the Oklahoma bombing, the assassination of Israeli Prime Minister Yitzak Rabin and the four recent Hamas suicide bombings in Israel.

Terrorism knows no borders. Canadians recognize that terrorism constitutes a flagrant violation of human rights, that terrorism undermines societal structures and institutions, that there is absolutely no justification for terrorism under any circumstances.

We have passed the time for rhetoric. It is now time for action. Terrorist organizations must be targeted. We call on all countries of the world to establish an effective mechanism for the exchange of information, assistance, technology and training to combat terrorism in all its aspects.

We call on all countries to establish programs of counter-terrorism and to immediately conclude terrorist extradition treaties. We must eradicate these merchants of hate for the good of all mankind.

* * *

[Translation]

LEADER OF THE OFFICIAL OPPOSITION

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, although he has succeeded Lucien Bouchard on paper at least, yesterday's pitiful performance by the hon. member for Roberval shows that he does not have the makings of a party leader and that he is not worthy of that post.

In an interview with *Le Soleil*, the hon. member for Roberval attacks our Prime Minister with impunity and with obvious disregard for the truth, saying, and I quote: “—that, over time, he has become an Ontarian with the Canadian mentality”.

All Quebecers and Canadians know that our Prime Minister is a true Quebecer and a proud Canadian. He represents the riding of Saint-Maurice in Quebec, and he needs no lesson in ethnic purity from the hon. member for Roberval.

If the Bloc Québécois now considers the main residence to be a criterion for being a real Quebecer, people like Luc Plamondon, Mario Lemieux and Jacques Villeneuve do not qualify.

CANADIAN CULTURAL INSTITUTIONS

Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, the Liberal Party won the election by promising stable financing for Canada's major cultural institutions.

However, since the Liberals came to power, parliamentary appropriations for the National Film Board have dropped from \$82 million in 1994-95 to \$65 million in 1996-97, not counting further cuts yet to be announced. At this rate, the NFB's budget will have shrunk by 30 per cent in four years on account of the Liberals' slash and burn management.

By imposing repeated funding cuts on the NFB, the CBC and Telefilm Canada, the government is altering the nature of the mandate of these major cultural institutions, simply by cutting off their funding.

We demand that promises be acted on and that stable multiyear financing be provided to enable the CBC, the NFB and Telefilm Canada to fulfil their mandate.

* * *

[English]

THE DEBT

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, the government is content to allow the national debt to top \$600 billion within its mandate. The recent budget is a no hope budget with no prospect of tax relief within this century.

• (1115)

For businesses and individuals, present and future, who must suffer reduced incomes because of the Liberal government, the House should remember them in their suffering by observing a period of silence.

During this minute of reflection the national debt rose by over \$62,000. The government cannot afford to be silent any longer.

ORAL QUESTION PERIOD

[Translation]

UNEMPLOYMENT INSURANCE REFORM

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, in their brief yesterday to the human resources development committee, the Fédération des femmes du Québec stated that fewer and fewer women will be eligible for maternity benefits because of the unemployment insurance reform. The Liberal MPs on the committee were, moreover, unable to disprove the federation's statement.

Oral Questions

Does the Minister of Human Resources Development realize that, by setting a minimum number of hours worked ranging from 420 to 700 hours, he will be preventing a considerable number of women from drawing maternity benefits?

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, this question being raised by the House leader of the official opposition is indeed a very important one. It is true that the changes proposed in Bill C-12 would impact upon women, as the hon. member says. This is one of the very good reasons why we are in the process of examining the bill in committee, and why we want to hear witnesses and to find out about problems such as this.

I am sure the committee members from all parties will address the problem identified yesterday by the Fédération des femmes du Québec. I trust that here, as in other sectors, amendments will be proposed to improve or totally eliminate the problem referred to by the hon. member.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, the minister can count on the official opposition to bring in such amendments, and I trust we can count on the minister to support them. This is not the only area in which there is a problem. Women will be penalized, not only by maternity benefit restrictions, but also when they return to work if they opt to devote several years to rearing their children. Let us keep in mind that the minister intends to triple, from 300 to 910 hours, the minimum number of hours of work required for eligibility for benefits.

I am asking the minister, who has announced major amendments and who again this morning has said he is open to certain amendments, whether he has looked at changing the rules proposed in his bill relating to people returning to the work force after more than three years, after having left to devote their time to rearing a child or for some other reason?

[English]

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, we are trying to be as equitable as we can in addressing all of the questions that will be brought to the attention of the committee.

In response to a comment by the House leader for the official opposition, we will look with great interest at any of the amendments brought forward by any of the political parties represented on the committee. Whether we can agree with them in totality we will have to wait and see. I am sure we will do the best we can.

With respect to the re-entry qualifications I want to make it clear that they apply across the board to all new entrants or re-entrants. We will take into account any special circumstances. Again there I understand the honourable member's comment about the need for

mothers to take extended periods of time to deal with the rearing of their children. I expect the committee will be making suggestions and recommendations on this and a number of other areas.

I am very pleased to see that members of the official opposition now recognize the value of having this piece of legislation considered by the committee. I am sure as time goes on, as was the case yesterday and as will be the case next week, there will be a lot of constructive suggestions made and we will deal with them.

• (1120)

The one thing I would say we are totally committed to is the fiscal parameters that were set out for the overall EI reform. Within that restriction we are prepared to look at anything which will render the situation as equitable and as fair to women and everybody else who must have access to employment insurance.

[Translation]

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, if the minister is pleased with the possibility of amendments by the official opposition, I trust that he also realizes that, if the official opposition had not opposed the initial bill so strenuously, and if there had not been demonstrations across the country—which are still continuing—the government would perhaps not have acted and would perhaps not be considering changing the bill, which was unacceptable right from the start. As well as the professional agitators—

In Quebec, women hold 68 per cent of the part time jobs. From now on, in order to be entitled to benefits, people will have to have worked between 420 and 700 hours, depending on the region. Does the minister realize that people who work 15 hours a week, the large majority of these women, would see the number of weeks they would have to work to draw benefits raised from 28 to 47 weeks? This is often a problem for those with unstable employment, seasonal employment, and 68 per cent of such jobs are done by women.

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, a large number of women, students, people everywhere in Canada working a few hours weekly, a few hours yearly, are not eligible at all for unemployment insurance benefits under the system as it now stands.

There is no doubt that the matter of 15 hours needs looking at, for it is very important to understand that 15 is the total number of hours worked in a week required at the present time to be eligible for unemployment insurance.

It would be necessary to know how many people, including women, work exactly 15 hours a week—not 14, not 16, not 18, not 22—to find out exactly what the impacts will be. We are prepared to present all of the impact analyses once the committee has

Oral Questions

finished its work, or even while they are still sitting, in order to try to assess the implications of this or that change.

I trust that my hon. colleague recognizes that, by changing the system to start counting from the first hour worked for everyone, women included, we have taken a forward step. We have succeeded in protecting many people and I am prepared, in due time, and in committee, to see that my departmental employees present all possible data to ensure that everything is clarified. We will need to look at the impact on women, on those who have been excluded from the unemployment insurance system all these years because they did not have their 15 hours a week, in order to see whether where we are headed will be fair to women and to all who need access to the employment insurance program.

* * *

POST-SECONDARY EDUCATION

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, my question is also for the Minister of Human Resources Development. When asked in the House on Monday about employment assistance programs for students, the minister wrongly accused the official opposition of being out of touch with reality. Unfortunately for the minister, he was confronted the next day by students who reminding him of how precarious student life is and how ineffectual, indeed pathetic, government programs are. We now know who is out of touch with reality.

Will the minister recognize that all the employment assistance programs for students in the world will never compensate for the hundreds of millions of dollars the government is going to cut from post-secondary education and for the increased tuition fees the cut will mean?

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, this week I had the opportunity to meet with young people from across the country at Forum Canada. The hon. member's claim that I was confronted by young people who had raised the issues he intimates in his question is wrong.

Just to let you know what is happening with the money made available for post-secondary institutions in this country, obviously we have jurisdiction—because the member and his party are always interested in jurisdiction. The provinces have jurisdiction.

• (1125)

The money transferred by the Government of Canada is being used as well to fund certain provincial expenditures for post-secondary institutions.

Tuition fees for universities, cegeps, community colleges and post-secondary institutions are set by the institution or by the government, depending on the system.

The Minister of Finance announced in his budget last week that we were going to stabilize the amounts available to the provinces under the Canada social transfer.

I hope we will all work together, as we did federally, by trying not only to provide the tools needed for young people to progress, but also the funds needed through job creation for students this summer to enable them to meet their objectives.

To suggest that the Government of Canada is totally responsible for the situation in universities or post-secondary institutions across the country does not really indicate where the responsibility lies. It lies with the provinces, which have jurisdiction.

Mr. Antoine Dubé (Lévis, BQ): Mr. Speaker, the minister just talked about lowering transfer payments. We have some figures for him on the consequences for Quebec, in particular.

While the federal government has cut more than \$400 million in two years in transfer payments to Quebec for post-secondary education, it will allocate an additional \$15 million only for summer jobs in Quebec.

Will the minister acknowledge that the recent announcements are nothing more than window dressing hiding major cuts for students?

[English]

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, I can have differences of opinion with representatives of various political parties on a number of issues. Surely one of the areas on which we will all find some common ground is that governments of all political stripes at all levels are faced with extremely difficult decisions.

That is the situation in the province of Quebec today on a whole number of fronts that are entirely within the jurisdiction of the Government of Quebec. Although we have very serious and profound differences on a number of issues, the future of the country for example, one thing I do agree on with the premier of Quebec is the need for that government to take serious action to address its fiscal problems.

It is simply not accurate to suggest that the Government of Canada is entirely responsible for the problems that exist with financing post-secondary institutions in Quebec. On the other hand when we announced we were doubling the amount of money available in Canada for summer student employment from \$60 million to \$120 million and the portion going to Quebec would be \$15 million, it recognized that we did understand the problem facing young people in Quebec and their need to find summer jobs.

I did not suggest that the \$120 million for summer employment for students was going to be a panacea for their need to find jobs. It is just part of the solution, which will have to be met by other

provinces, municipal governments, and particularly the private sector.

* * *

CANADIAN ARMED FORCES

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, first it was a letter calling on soldiers in the Canadian Armed Forces to shift their allegiance to a Quebec army. Now it is high level negotiations and agreements between Quebec officers and the PQ government to establish a Quebec defence staff headquarters after a yes vote.

This is a very serious matter. It strikes at the very integrity of the Canadian Armed Forces. What will the Minister of National Defence do to investigate the separatist attempt to destabilize the Canadian Armed Forces?

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I noted the comments of the hon. member from Charlesbourg which have been in the press. Certainly those kinds of allegations are quite serious. I agree with my friend opposite on the gravity of such an accusation.

The chief of the defence staff has consulted with his predecessor, General de Chastelain, and other senior officers in the last number of hours. I can assure the House that there have been no plans drawn up. There have been no discussions authorized by the leadership of the Canadian Armed Forces for the eventual creation of two armed forces or the integration of a Quebec-Canada army. That would be totally inappropriate and unacceptable.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I am glad to hear that assurance from the minister.

● (1130)

Is this the first time the minister has heard of these allegations that are being made about the interplay between the Bloc Québécois, the Parti Québécois and the Canadian Armed Forces?

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, we should view this in perspective.

During the referendum campaign there were lots of assertions and accusations made and a lot of emotional debate. The hon. member for Charlesbourg had sent a letter to certain officers in the province of Quebec. The matter was of such gravity that you, Mr. Speaker, ruled that the House debate a motion by a member of the Reform Party, my opposition critic. The matter is now before the House.

Any accusations or suggestions made by the hon. member for Charlesbourg on the latest accusation or on the letter is something that has to be dealt with by the committee. If the hon. member for

Oral Questions

Charlesbourg has any evidence to substantiate this kind of allegation, he has a duty as a member of this House to bring it forward to that committee so that it can be examined.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, this goes beyond the allegations concerning the member for Charlesbourg. It goes beyond the matter that will be placed before the committee presumably next week. This is a very serious matter. I find the minister's answers to date unacceptable.

The BQ letter and the PQ secret negotiations are exactly why we have been trying to open it up and get the government to discuss the terms of separation well in advance but it has chosen not to do that. That is precisely why we are in a problem right now. Before the final showdown with the Quebec separatists, the government cannot continue to sit on the fence; it has to come out.

Will the minister make it perfectly crystal clear in whatever public domain to the Bloc Québécois, to Lucien Bouchard and to every member of the Canadian Armed Forces that the Canadian forces are off limits in the debate on Quebec sovereignty?

Hon. David M. Collette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, the hon. member was a very distinguished general officer in the armed forces. He knows that the role of the Canadian Armed Forces is to support the duly elected Government of Canada and the Constitution of Canada. I am confident that the men and women of Canada's armed forces are doing exactly that.

The burden of proof about any actions of members of the armed forces as alleged by the hon. member for Charlesbourg is on that member to come forward and give us that proof. Only at that time will we launch a greater investigation other than the one I have in a sense launched in the last number of hours with the chief of the defence staff who has assured me that these allegations are unfounded.

* * *

[Translation]

UNEMPLOYMENT INSURANCE REFORM

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

In response to a question from the official opposition, the minister recognized and confirmed that several amendments to the UI program will result in greater numbers on the welfare rolls, since thousands of newly unemployed workers will no longer be eligible for UI benefits.

Does the minister not find it scandalous that people who lose their jobs are forced to turn to a form of assistance of last resort,

Oral Questions

instead of receiving UI benefits to which they have contributed and to which they are entitled?

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, I do not see how the hon. member can say that I agree with opposition members. This is not the case at all. What happens is that, with the legislation as it was proposed, the calculation is to be based on the number of accumulated hours.

● (1135)

However, I think that, with the amendments that will be moved during the course of the legislative process, we will end up with a system whereby many part time workers will not have to turn to social assistance and will in fact be eligible for UI benefits. Some employers, for all sorts of reasons, provide less than 15 hours of work per week to their employees. These workers are currently not eligible for the UI program, or for other support programs that are in place to help the majority of Canadian workers.

Hopefully, and contrary to what the hon. member implied, these amendments will reduce the number of people who have to turn to social assistance.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, the minister is well aware that, since new entrants will now have to work 910 hours instead of 300 to be eligible for UI benefits, these young people will be forced to turn to social assistance.

Will the minister recognize that, in addition to being a terrible measure for the unemployed, this is a roundabout way of making the provinces pay part of the costs of the UI reform?

[*English*]

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, the hon. member and his colleagues are working very hard trying to create a situation. They talk about people who are going to go on social assistance. Then in the question the hon. member talks about new entrants onto the system.

If a person is already connected to the unemployment insurance system then he is not not a new entrant unless he or she has been out of the system for a number of years. Then that person becomes a re-entrant.

We are not advancing the quality of the debate or trying to deal with the problems facing real people by trying to raise all kinds of unnecessary concerns. The requirement for new entrants into the system is not based on just the 52 weeks of the calendar we have normally applied it to. They can actually bank the weeks, or hours as the case will be after January 1, 1997, from the previous year's work.

If the hon. member wants to put forward his arguments in a place where we can sit down and look specifically at what he is proposing

and what concerns him and how we can respond to his questions, we will be happy to do that. However that is not the interest of the hon. member and his colleagues. They want to continue to provide ammunition to those who, for all kinds of other reasons than protecting those at the bottom end of the income scale, want to agitate and make even more anxious real families with real problems who want real solutions.

* * *

IMMIGRATION

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, when the current environment minister was in charge of immigration, he apparently ordered up to 30,000 copies of a 25 page booklet telling Canadians what a wonderful job he was doing. However, when the new minister of immigration learned that this Liberal propaganda exercise was costing Canadian taxpayers \$20,000 she immediately ordered the secret destruction of all copies.

Can the parliamentary secretary explain how the government could spend \$20,000 of taxpayers' money on producing partisan propaganda and then pay civil servants to destroy it?

Ms. Maria Minna (Parliamentary Secretary to Minister of Citizenship and Immigration Lib.): Mr. Speaker, as the new minister for the department, the Minister of Citizenship and Immigration was within her right and it is her prerogative to refuse a document which was prepared by her predecessor which did not reflect her prospectus or her priorities for the Department of Citizenship and Immigration. Therefore, the document was not distributed and her staff took the appropriate action and means to have the document destroyed.

As the new minister of the department it is her prerogative to decide what the priorities of the department are.

Ms. Val Meredith (Surrey—White Rock—South Langley, Ref.): Mr. Speaker, it is reported that the new immigration minister turned to CSIS to destroy these potentially embarrassing documents. If this is true, it would be another example of CSIS involving itself in partisan politics by protecting the party in power.

Before the solicitor general comments on these allegations, would he explain whether he has given any instruction to CSIS that it is no longer responsible for investigating threats to the security of Canada but rather that it is responsible for concentrating its efforts on investigating threats to the Liberal Party of Canada?

● (1140)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, I have been advised that the allegations made by the hon. member that CSIS was asked to destroy these documents and did so are

Oral Questions

totally false. CSIS was not asked to destroy these documents and it did not destroy the documents.

Furthermore, I am confident that CSIS is very well aware of its responsibilities under the law established by this Parliament and is carrying them out.

* * *

[Translation]

UNEMPLOYMENT INSURANCE

Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, my question is for the Minister of Human Resources Development.

Two Ontario women are currently challenging, in court, the parental leave provision of the unemployment insurance plan, which treats adoptive parents very differently from natural parents. There is a huge difference, in that adoptive parents are entitled to 15 fewer weeks of leave.

In light of the fact that the purpose of parental leave is to nurture the child, how can the minister explain this double standard for biological and adoptive parents?

[English]

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, this is a very difficult question. As the hon. member said, there is a matter before the courts so I do not want to specifically address that problem.

This is a question that has to be dealt deal with in the most sensitive way possible. I have been informed of the decision to move in this direction and I have been trying to become better acquainted with the rationale behind it.

On the question of maternity benefits, as the hon. member says it has the component of taking care of the child. It also has the very obvious and significant element of taking care of the natural mother as she goes through the process of childbirth.

I understand the concerns raised by people who feel there should be as much opportunity as possible for nurturing a newborn child or a newly adopted child in those situations. However, it would seem to me, and there is no doubt of the decision of the government in terms of how to deal with this issue, that there were differences not in the needs of children to be cared for by their mothers for as long as possible, but in the difference between the situation faced by a natural mother in terms of her own physical capacity to deal with a birth as opposed to that of an adoptive mother dealing with an adopted child.

I do not think there are ever any easy solutions to these questions. I hope my hon. colleague would understand there is at least that difference between the two situations of a natural mother and an adoptive mother, and the need to look at them somewhat differently.

[Translation]

DAY CARE

Mrs. Madeleine Dalphond-Guiral (Laval Centre, BQ): Mr. Speaker, still on the subject of children's well-being, given that adequate child care can greatly improve their quality of life, could the minister explain to parents in Quebec and Canada what has become of the 150,000 new day care spaces his government has been promising for three years?

Hon. Douglas Young (Minister of Human Resources Development, Lib.): Mr. Speaker, this is always a timely topic. Before Christmas, the Government of Canada made a proposal to the provinces and territories, suggesting that a national day care system be established.

It will come as no surprise to my hon. friend to learn that several provinces, including Quebec, have expressed serious reservations about the appropriateness of federal interference in an area of provincial jurisdiction. I agree with this reaction. What we are suggesting to our partners from all the provinces is that we need to sit down together and try to figure out how the Government of Canada could help resolve, at least in part, the problem raised by my hon. friend, while at the same time respecting the provinces' jurisdiction.

In this context, I promise, not only the hon. member who asked the question, but also the representatives of all governments across the country, that we will do our best to fulfil the commitment made by the federal government in the throne speech not to interfere unilaterally, through its spending power, in an area of provincial jurisdiction.

• (1145)

We will nonetheless try to find, within these parameters, a way to co-operate with the provinces in order to help those who need the kind of support that a financial contribution to day care would provide.

* * *

[English]

BYELECTIONS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, apparently the Liberal pork machine is well in gear for the upcoming byelections.

Pierre Pettigrew has decided that he may have trouble winning his seat so he has decided to try and buy it. He does not have the portfolio which would allow him to spend millions of dollars in his own riding, so he has decided instead to spend \$3.8 million in Haiti in an attempt to buy votes in Papineau. Apparently he is shameless.

On behalf of Canadian taxpayers who will have to foot the multimillion dollar bill for this, I ask the Minister of Foreign Affairs if he will bring this matter to the House of Commons for

Oral Questions

debate so that we can see whether the \$3.8 million is for the benefit of Haitians or for the benefit of Pierre Pettigrew.

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, I find the question absolutely incredible. Canada is very proud of its longstanding commitment to Haiti and to the people of Haiti.

The announcement made yesterday by the minister who has the responsibility of the francophonie, of which Haiti is a member, is also the minister responsible for international co-operation. He made the announcement in a series of Canadian government announcements in support of the people of Haiti.

The two projects announced yesterday will be implemented by two Canadian NGOs, CECI and CESO by name. They will be working in collaboration with Haitian non-government organizations.

All of the funding is for the benefit of the people of Haiti, not for the people of Canada, whatever their origin, and certainly not for the personal benefit of the minister.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, when a minister does not yet have a seat in the House of Commons, how convenient it is to spend money to buy a few votes in one region of his riding.

Canadians are justifiably proud of their commitment to Haiti. We have sent many people to Haiti. We continue to send money. We want to help to restore democracy in Haiti.

However, it is unconscionable that Pierre Pettigrew would funnel \$3.8 million at this time, in the middle of a byelection, at a critical moment, in order to help himself in a byelection attempt.

Does the minister personally condone spending money 10 days before a byelection in an obvious attempt to buy—

The Speaker: Even by the furthest stretch of the imagination, the question does not fall under the purview of the minister's administrative responsibilities. It is out of order.

* * *

[Translation]

INDIAN AFFAIRS

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, my question is for the minister of Indian affairs.

On February 28, the community of Kanesatake voted a resounding no to the following question: "Do you want Jerry Peltier as grand chief and chief negotiator?" Yet, the minister seems torn since Mr. Peltier wrote him that he wanted to remain as chief.

Since the minister has long supported the principle of Native self-government, when will he recognize the Kanesatake community's inalienable right to choose its own leaders?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I responded to that question last week.

That community had an election. We hired Coopers and Lybrand to oversee the election. The report was returned saying that it was a proper election of Jerry Peltier.

The community had a meeting a few weeks ago and they now have a second chief. However, Mr. Peltier's term is for three years and he has not resigned. In the spirit of self-government, I am hoping the community will work itself through the process.

On the upside, the difficulty in the community has not affected the fact that there are seven members on the council. Six are still there. The majority is still working.

• (1150)

Why do Bloc members always pick on Jerry Peltier and the Mohawks? They are back to Mohawk bashing. Why do they not pay some attention to the Algonquins or the Abenakis? They do not have any interest north of here. It is always the Mohawks. Why? The Mohawks see through this party for what they are. They see them as ideologues and they will continue to ask these questions about the proud Mohawks.

[Translation]

Mr. Maurice Dumas (Argenteuil—Papineau, BQ): Mr. Speaker, I should point out to the minister that I am a member of the Bloc Quebecois and not the Reform Party, thank God.

Does the minister not agree that, by continuing to protect former chief Jerry Peltier—who, may I remind you, used to work for his department—and by failing to acknowledge the February 28 vote, he is showing disrespect for the community of Kanesatake and treating all Native communities in Canada like children?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I face the separatists and the Bloc every day and I know they are very concerned about territorial integrity and the political position of the Mohawks.

These are not my words, these are the words of Daniel Turp, the candidate for the Bloc in Papineau and the man who gives this party advice. He said: "If Quebec were to object to sovereignty measures democratically approved, these native nations could undoubtedly claim that their democratic rights to self-determination and to secession have been violated". This party is violating this.

*Oral Questions***TERRORISM**

Mr. Mac Harb (Ottawa Centre, Lib.): Mr. Speaker, the Prime Minister has just returned from Egypt after attending an international conference on terrorism. Would the secretary of state for Africa tell the House the outcome of the conference and what steps is Canada taking to ensure that the peace process is not hijacked by terrorism?

Hon. Christine Stewart (Secretary of State (Latin America and Africa), Lib.): Mr. Speaker, the conference that took place in Egypt this week sent a very important message to the international community that collectively people, including those who historically were sometimes antagonists, can come together to confront terrorism, violence and the cowardice of that in our world community. It is an important message, particularly to the Middle East peace process, at this time.

The summit was a very short process. There was agreement that a working group be formed. Canada will participate in that working group to find other ways in which the international community can improve its efforts and collaboration toward ending terrorism and violence around the world.

Our departments are meeting to see how we can, in fact, prevent fundraising and the organizational work of terrorists in our country.

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CORNWALLIS PARK DEVELOPMENT AGENCY

Mr. Randy White (Fraser Valley West, Ref.): Mr. Speaker, the Cornwallis Park Development Agency has some serious problems within it, not the least of which is political interference from the Liberal member for South West Nova.

For example, Mark Phillips got a management job for \$33,000 and pocketed another \$7,500 as a part time consultant. His qualifications were that of a cook and president of the Digby Liberal Association.

My question is for the minister responsible for ACOA. Will the government disclose the criteria and qualifications for selecting the board of the Cornwallis Park Development Agency besides being Liberal, or do we have to dissect this whole operation piece by piece?

The Speaker: Colleagues, in question period I try to give every latitude in the framing of questions. I would ask members to be very careful in the preamble.

• (1155)

I have to wait until the end of the question to see if it is in order. That is what we are dealing with here. Sometimes in the questions and sometimes in the answers members are taking, in my view, a

little bit of licence. I would ask them to please try to compact the preamble to questions so the wait is not so long before I can intercede and make a decision.

This question is in order and I will allow the solicitor general to respond if he wants to. I saw him on his feet.

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): I will follow your admonition most closely, Mr. Speaker.

I will say simply that I do not accept in any way what I consider to be the unwarranted insinuations and premise in the hon. member's question. I do not see why his question should start out with an unwarranted attack on a very distinguished and hard working member of this House.

I will be happy to take these allegations, in spite of their unwarranted nature, and bring them to the attention of the minister responsible for ACOA. I understand the new agency is in place and its administration is being put in place in the proper way. I am sure the minister responsible for ACOA will have full answers when he is back in the House.

In the meantime, I see no reason why the hon. member should make these unwarranted attacks on a very distinguished, hardworking and effective member of this House.

Mr. Randy White (Fraser Valley West, Ref.): I guess, Mr. Speaker, when you are dealing with facts, you are dealing with facts and I do not see them as unwarranted at all, having already undertaken an investigation.

We have unsolicited bids, we have hiring of unqualified people and we have political patronage which are commonplace in this particular agency. The vultures have started picking at the carcass of a closed military base.

Will the minister agree to a public inquiry of the Cornwallis Park Development Agency? If he will not, will he allow the opposition to review the records of ACOA and the Cornwallis Park Development Agency with respect to its finances and its operations?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada, Lib.): Mr. Speaker, in answering this question I want to make it clear that I do not accept in any way the premise, the insinuations or innuendos in the hon. member's question.

This matter will be looked into by the minister responsible for ACOA and he will be in a position to report back in the appropriate way.

In the meantime, in spite of the hon. member's reference to facts, he has not demonstrated in this House that he always has a complete grasp of them himself.

Routine Proceedings

[Translation]

INDIAN AFFAIRS

Mrs. Maud Debieu (Laval East, BQ): Mr. Speaker, my question is for the Minister of Indian Affairs.

The minister recently claimed to have given \$80 million to the Davis Inlet community. However, according to information provided by Innu leaders from Davis Inlet, the actual amount given to the community is \$7 million, not \$80 million as claimed by the minister. Moreover, it seems that the 35 consultation reports that the minister boasts about were paid with moneys targeted for emergencies and vocational training.

How can the minister consider Davis Inlet as a success for his government, considering that the Innu live in abject poverty and that, according to their leaders, they are still being exploited? Which version are we to believe?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I will start taking advice from the Bloc on Davis Inlet when they send as many members of Parliament to Davis Inlet as the Liberal Party has.

We have been there several times. We have a plan over a term of years to deal with health, to deal with housing. I have crawled under those houses myself to see what was being constructed. When the Bloc gets under a house at Davis Inlet and looks at what is being done, then I will start listening to them.

The figure is over a term of years. We are working with the very unfortunate people at Davis Inlet. We hope that this will be a success story in Canadian history where the Government of Newfoundland, the Government of Canada works with native people. Unlike the Bloc, we work with native people, not against them.

* * *

KREVER COMMISSION

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, the Krever inquiry is an important inquiry to Canadians. Japan has had a very similar inquiry.

• (1200)

The new health minister in Japan, after taking on the portfolio, very quickly apologized publicly both on behalf of his government and the companies involved. In Canada the new health minister is subverting the process of Judge Krever.

The question is straightforward again to the novice health minister. Why will he not let Judge Krever speak?

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, the premise of the hon. member's question is inaccurate, false and

erroneous. To give credibility to that question would be giving credibility to a member who has no credibility.

* * *

CHILD CARE

Mr. John Maloney (Erie, Lib.): Mr. Speaker, my question is for the Minister of National Revenue.

Last week in his budget the Minister of Finance announced changes to the country's child care expense provisions. Would the Minister of National Revenue please explain to the House how the child care expense provisions have been modified?

Hon. Jane Stewart (Minister of National Revenue, Lib.): Mr. Speaker, as a result of last week's budget there have been changes to the child care expense deduction.

First, the age of eligibility for children has been increased from 14 to 16, recognizing that there are parents who do work night shifts and need to have support in the home for their children. Therefore those costs should be deductible.

Second, we know there are single parents who are enrolled in full time education and who have not been able to use the deduction in the past. We have changed this process so that they will now be included. These reflect the changes in Canadian society. I believe the changes will be appreciated by Canadians.

* * *

POINTS OF ORDER

VISITORS IN GALLERY

Mr. Peter Milliken (Kingston and the Islands, Lib.): Mr. Speaker, more questions have come my way about the presence in the gallery of the 25 cadets from No. 23 Squadron, Royal Canadian Air Cadets and their officers, all from St. Catharines. Their officers are Captain Greenwood and Captain Jeffrey. I understand they are visiting Ottawa for three days on a citizenship tour.

Some hon. members: Hear, hear.

The Speaker: Thank you for that timely point of order.

ROUTINE PROCEEDINGS

[English]

GOVERNMENT RESPONSE TO PETITIONS

Mr. Rey D. Pagtakhan (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, pursuant to Standing Order 36(8), I have the honour to table, in both official languages, the government's response to three petitions presented during the first session.

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I have the honour to present the seventh report of the Standing Committee on Procedure and House Affairs regarding the selection of votable items in accordance with Standing Order 92. This report is deemed adopted on presentation.

I also have the honour to present the eighth report of the Standing Committee on Procedure and House Affairs regarding the membership of Standing Committees on Citizenship and Immigration, Natural Resources, and the associate membership on the Standing Committee of Finance.

If the House gives its consent, I intend to move concurrence in this report later this day.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I would like to read into the record a short statement in reply to the statement by the chief government whip concerning the Standing Committee on Procedures and House Affairs.

• (1205)

Members were initially informed there were three days of hearings for the subcommittee on private members' business of the Standing Committee on Procedure and House Affairs. These meetings were to start on Tuesday, March 12 and end on Tuesday, March 19.

Several of our members were counting on being able to present their items to the committee on March 19 and planned trips back to their ridings for most of that week. On Tuesday, March 12 our members were informed the meeting on the March 19 was cancelled and the committee wanted to report back to the House this week.

This 11th hour cancellation made it virtually impossible for a number of our members to present their items to the committee on their own behalf. Because of this change private members' business would now start on March 18 instead of March 25. This in turn created another set of last minute scheduling headaches for a number of our members.

We hope the cordial and efficient manner in which the committee functioned during the first session of the 35th Parliament will soon re-establish itself during the current session. It is our sincere hope that the unfortunate events of this week were merely a temporary aberration from the co-operative atmosphere members had become accustomed to in that subcommittee.

Mr. Boudria: Mr. Speaker, I understand the point raised by the hon. whip from the Reform Party. It is of course the intention of everyone to make this subcommittee work as efficiently and

Routine Proceedings

appropriately as possible. I believe the committee even left empty spots to ensure members who could not be heard during the first round would have room deliberately made for them for a quick second report so that all members who have private members' items that should be made votable are made votable at the earliest opportunity.

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RADIOACTIVE WASTE IMPORTATION ACT

Mr. Chuck Strahl (Fraser Valley East, Ref.) moved for leave to introduce Bill C-236, an act to prevent the importation of radioactive waste into Canada.

He said: Mr. Speaker, I have introduced this bill for a couple of reasons. First, the government is considering a major overhaul in dealing with the nuclear industry and radioactive waste.

Second, there have been musings by different towns, including Meadow Lake Indian Reserve, of wanting and desiring radioactive waste in their own areas as make work projects.

I do not think Canadians want to import radioactive waste into Canada. This bill would prevent that, NAFTA notwithstanding. That is what this bill is about.

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

* * *

IMMIGRATION ENFORCEMENT IMPROVEMENT ACT

Mr. Janko Perić (Cambridge, Lib.) moved for leave to introduce Bill C-237, an act to amend the Immigration Act and Transfer of Offenders Act.

He said: Mr. Speaker, this bill is identical to Bill C-316, which I introduced in the House of Commons exactly one year ago, on March 15, 1995.

Pursuant to a special order of the House passed on March 4, I am requesting this bill be reinstated to the position it was in prior to the prorogation of the House. This bill would facilitate the deportation of non-citizens convicted of violent criminal offences punishable by 10 or more years imprisonment by allowing judges to issue deportation orders at the time of sentencing.

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

The Deputy Speaker: The Chair is satisfied that the bill is in the same form as Bill C-316 at the time of the prorogation of the first session of the 35th Parliament.

[*Translation*]

Accordingly, pursuant to order made Monday, March 4, 1996, the bill is deemed to have been read the second time and referred to the Standing Committee on Citizenship and Immigration.

Supply

• (1210)

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, if the House gives its consent I move, seconded by the parliamentary secretary to the Prime Minister, that the eighth report of the Standing Committee on Procedure and House Affairs, presented to the House earlier this day, be concurred in.

(Motion agreed to.)

* * *

PETITIONS

HUMAN RIGHTS

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, it is my pleasure to present two petitions on behalf of the constituents of Simcoe Centre today.

The first groups of petitioners request that the Government of Canada not amend the Human Rights Act to include the undefined phrase sexual orientation. Refusing to define the statement leaves interpretation open to the courts, a very dangerous precedent to set. Parliament has a responsibility to Canadians to ensure that legislation cannot be misinterpreted.

AGE OF CONSENT

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the second petition concerns the age of consent laws. The petitioners ask that Parliament set the age of consent at 18 years to protect children from sexual exploitation and abuse.

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QUESTIONS ON THE ORDER PAPER

Mr. Rey D. Pagtakhan (Parliamentary Secretary to Prime Minister, Lib.): Mr. Speaker, I request that all questions be allowed to stand.

The Deputy Speaker: Is it agreed?**Some hon. members:** Agreed.**GOVERNMENT ORDERS**

[Translation]

SUPPLY

ALLOTTED DAY—CHURCHILL FALLS HYDRO CONTRACT

The House resumed consideration of the motion.

The Deputy Speaker: The hon. member for Matapédia—Matane has concluded his remarks. We will now go on to the period for questions and comments.

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, the contract we are discussing concerns two Canadian provinces. I understand that if Quebec separates from the rest of Canada, the Churchill Falls contract will be null and void. It will have to be renegotiated. It seems to me that that would be good for Labrador and Newfoundland.

I would like to ask the member for Matapédia—Matane to tell us his thoughts on this matter, which is of some interest to all Canadians.

Mr. Canuel: Mr. Speaker, I wish to thank my colleague. This contract, which runs until the year 2041, was signed after a great deal of reflection. If we become sovereign, this contract and others will be maintained. In 1984, the Supreme Court ruled that this contract was valid. When we went back in 1988, the original ruling was upheld. In such a case, I think an agreement should be honoured. It would be really easy for us to establish the legitimacy of these contracts.

Agreements with other countries would be maintained. In the case of NAFTA or the GATT agreement, the international courts would recognize our new country's sovereignty and tell us that we are right and that the agreements are valid.

There is no problem with that and the people of Quebec understand that, if over 49 per cent of them voted in favour of sovereignty, it is because these laws are and always will be respected. We are going to make that demand.

• (1215)

There should be no attempt to frighten people by saying that this or that contract would be cancelled the day after sovereignty is achieved. This is not what happened in other countries that have become sovereign and this is not what will happen in our case.

[English]

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, I appreciate the question. I would like to expand on it a little bit.

It occurred to me as I listened very carefully to the minister's brief history lesson that when the contract was being agreed on and signed, there was a Liberal government in Newfoundland, a Liberal government in Quebec and a Liberal government in Ottawa. I wonder if the Newfoundland voters consider this as they think about who is representing their interests.

It also occurs to me while we listen to members of the Bloc Québécois talk about honouring contracts, there is another contract that many of us hold quite dear, originally known as the British North America Act, the Canadian Constitution.

Bloc members seem to feel there is some injustice in their province. Some members of Parliament and Canadians would very much like to accommodate the legitimate concerns of Quebec so that every province, including Quebec, would have a legitimate and

meaningful place in the country. While this is being done, there are other members of a rump group, who are saying: "No, we will tear up that contract. We will go our own way. We will forget about that".

I would like to add that question to the previous question. It seems to me that if the province of Quebec no longer exists and becomes a country, whatever name they choose to call it, then it is necessary to re-establish contracts and certainly this contract with Newfoundland and Labrador.

How does the member consider breaking the contract of confederation and his insistence that the previous contract with Newfoundland and Labrador cannot be touched?

[Translation]

Mr. Canuel: Mr. Speaker, my colleague is getting it all mixed up. I do not understand. When we become a country, we do it democratically. We have people vote. We all presented the referendum honestly. If there were another, we would present it to everyone too. And if people chose to do so at that point, we would become a country.

A contract is another matter altogether. A contract is signed between two companies. At that point the contract is signed. When I look back to 1867, when Canada became a country, the provinces were very powerful. Over the years, all their powers have essentially been picked off. We are left with basically nothing.

It is true that over the past 60 years, we have had Maurice Duplessis, who spoke of provincial autonomy and went and got income tax; Jean Lesage, who spoke of "maîtres chez nous" and wanted almost sovereignty; and Daniel Johnson senior, who wanted equality or independence.

It is just crazy to compare two contracts duly signed by two companies, Hydro-Churchill and Hydro-Quebec, with the desire of a people to become sovereign through a democratic vote of all citizens duly recognized in Quebec, regardless of their colour or language. We are very open to these people. We have told all ethnic groups that they are very welcome in Quebec, that they have the right to vote against or for sovereignty. This is no contract, this is the process of setting up a country, because, at the outset—I am providing a little historical background for my colleague, because his knowledge seems to be a bit lacking—at the outset in Canada, there were two peoples, two equal peoples.

• (1220)

At one point, we lost much of our powers, and not only the sovereignists now want them back.

A few minutes ago, I mentioned Jean Lesage. He sat in this House and had a high regard for Canada's Parliament; he spoke of "Maîtres chez nous", saying that to assume our powers, we had to

Supply

get them back. While he did not manage it, he did make significant progress. I readily admit that. I congratulate the Liberals of that period. René Lévesque was a member of cabinet and it was he who was responsible for setting up Hydro-Quebec. The Liberals did a huge job.

I will conclude by saying that apples and oranges should not be mixed and that the Reformers, unfortunately, have been doing so for the past while. They have a talent for getting everything all mixed up.

[English]

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, the poet Robert Frost penned the very eloquent words: "Something there is; that doesn't love a wall; that wants it down".

This is a sentiment with which Quebec's new premier is starting to agree. He wants to mend and remove broken fences, to heal old wounds, to show that Quebec is a good neighbour and that it would be a good trading partner, as a sovereign country of course. However, one fence which Quebec and Labrador have between them which needs major repair is the Churchill Falls contract.

Twenty-seven years ago a 65-year contract was signed between the Churchill Falls Corporation of Labrador and Hydro Quebec. The contract requires that Newfoundland sell cheap power to Quebec from the gigantic hydroelectric project on the Churchill River until the year 2041 at pre-1973 oil prices.

It is an extremely unfair contract. Newfoundland earns \$20 million each year from Churchill Falls' electricity sales. Hydro Quebec, on the other hand, makes a staggering profit of \$800 million from the resale of Newfoundland power to New England. That is a difference of \$780 million.

The people of Newfoundland and Labrador are extremely upset and even embittered over the contract. This is a matter which dates back long before the days when the Reform Party was in politics. It was a matter of great concern and sadness before I ever thought about politics.

It is an unjust contract. It is an unfair contract. It is an oppressive contract. Newfoundlanders know they erred in signing it. They realize that Quebec has wilfully and knowingly taken advantage of them. Quebec knows that too.

When Newfoundlanders suffer, Canada suffers. The \$780 million that Newfoundland and Labrador lose to Quebec every year is nearly equal to the amount that Newfoundland gets in equalization payments from Ottawa. The Churchill Falls contract is extremely unfair to the Canadian taxpayer as well.

If Quebec wants to be a good neighbour, if it wants to build good fences rather than poor ones, if it wants to show the world that it can be trusted, it will come back to the table and renegotiate the

Supply

contract with Newfoundland and Labrador. We challenge the premier of Quebec to make this commitment.

Newfoundland is a have not province. It suffers from the highest unemployment rate in the country. Over 20 per cent of the population is unemployed. The cod fishing industry is practically non-existent and its economy is in a complete shambles.

If a fair contract had been signed, or if the federal Liberal government had intervened to ensure that Newfoundland received an equitable share of the profits from this megaproject, the economic situation in Newfoundland would be quite different today. There would be jobs. There would be growth. There would be prosperity in Newfoundland today.

• (1225)

Newfoundland has been unable to finance a power line to siphon off some of Churchill's power to the island. It has also been unable to finance the construction of a second Labrador power plant on the lower Churchill River, estimated to cost \$11 billion. This project would create 24,000 construction jobs. Newfoundland also cannot afford to develop a smelter in the Voisey Bay, a project that would create hundreds, if not thousands of jobs.

The federal government promised to create jobs, jobs, jobs. There is no place in Canada that needs jobs more than Newfoundland. However, for the last 27 years the federal government has failed to act on behalf of Newfoundlanders concerning this matter. It has failed to intervene and to guarantee one of the poorest provinces in the country its fair share of profits from the direct sale of power to the New England states.

If Quebec does not want to be a good neighbour, if it does not want to build good fences and voluntarily agree to renegotiate the Churchill Falls contract, then we challenge the federal government to stand up for the people of Newfoundland. We challenge the federal government to lower internal trade barriers in Canada and to push Quebec to the negotiating table.

Quebec has refused to allow Newfoundland to build its own power lines on Quebec soil. Consequently, Labrador cannot develop the lower Churchill Falls hydroelectric plant. Quebec also has refused to allow Newfoundland to use its transmission lines to transmit electricity to markets in other parts of Canada or the United States, to join in the North American power grid.

Clearly Quebec has backed Newfoundland and Labrador into a very tight catch-22 position. It cannot develop the untapped resources of the lower Churchill Falls unless it gets an energy contract. It cannot get a contract without a way to transmit the electricity to the buyer.

Quebec has established a barrier to the free movement of electricity from Newfoundland to places outside Quebec. If Quebec

does not want to be a good neighbour, if it does not want to mend walls with Newfoundland and Labrador and voluntarily agree to break down this trade barrier, then the federal government must move to have the trade impediment removed. This would lead to prosperity, not only for Newfoundland and Labrador, but increased prosperity for Quebec as well.

In western Canada natural gas, electricity and oil freely cross provincial boundaries. This neighbourly approach to trade creates a harmonious relationship among western provinces and produces greater wealth for all the provinces involved as these provinces have free access to each other's markets.

If Quebec would be this kind of good neighbour, Labrador and Quebec would both prosper, shoulder to shoulder into the 21st century.

By this August there is supposed to be a second draft of the internal trade agreement to be signed. Unfortunately it is not in Quebec's economic interest to sign the internal trade agreement. Quebec would have to give up some of the benefits it receives from Churchill Falls contracts. It is unwilling to do this so it will not come to the table.

It is important for Ottawa to finally take a stand for the people of Newfoundland and Labrador. It needs to take a strong stand and say that enough is enough. Quebec must come back to the negotiating table. It must help build good fences between good neighbours. It must work to allow Newfoundlanders to benefit from their own resources.

The federal government can urge Quebec to be more neighbourly by first of all following a recommendation by a federal government mandated group that tabled a report in 1988 called: "Energy and Canadians: Into the 21st Century". That report recommends:

The federal government should articulate the conditions under which one province has a right to access, on a business basis, another province's electricity corridor or electrical grid for the purposes of transmitting electricity to a market not adjacent to the first province.

• (1230)

This is the first step for the federal government: state the right of the provinces to interprovincial trade, then articulate the conditions under which that trade might exist. Taking this stand would not require legislation. It is a direct statement of policy.

The government must assert its authority under section 121 of the Constitution to bring down internal trade barriers. Section 121 reads: "All articles of the growth, produce or manufacture of any one of the provinces shall from and after the union be admitted free into each of the other provinces". If the federal government is willing to use this section of the Constitution, it might be enough to encourage Quebec to come back to the negotiating table on this subject.

If Quebec still refuses to be a good neighbour, the federal government could act further. It could give the National Energy Board the power to open up Quebec's transmission lines to allow export of electricity from another province. This would allow Newfoundland to channel electricity through Quebec lines to markets in the United States.

Quebec would still have the original Churchill Falls contract. Its earning power would remain in place but Quebec would also be helping out a neighbour. It would be helping all the people of Newfoundland and Labrador to get back on their feet financially so they could get off government assistance and back to work. This would help build a prosperous future for their families right into the 21st century. It would be a neighbourly act indeed.

If Quebec refuses to be a good neighbour and remains unwilling to mend fences between itself and Labrador, the federal government might consider a second position suggested by the National Energy Board. That option is to use section 58(4) of the National Energy Board Act to designate a corridor through Quebec on which hydro lines could be built by Newfoundland for the transmission of its own power. This could be done through an order in council.

What I have just discussed are only options. They are options available to the parties and to the federal government. They are options that would encourage Quebec to become more neighbourly in its attitude and more giving in its actions.

The fences between Quebec and Labrador are in need of much repair. Newfoundland and Labrador have suffered financially for years due to the Churchill Falls contract and Quebec's trade barriers. They are extremely embittered. The people of Newfoundland and Labrador want a change and they have wanted it for years.

The new premier of Quebec wants to mend broken fences, to heal old wounds, to show that Quebec is a good neighbour and that it would be a good trading partner as a sovereign country. This is a prime opportunity for Quebec to come back to the table voluntarily to renegotiate this contract with Labrador to break down internal trade barriers. If Quebec does this, then and only then will Quebec together with Newfoundland and Labrador be able to say that well mended fences make good neighbours. However, if this is not possible, the Government of Canada representing the interests of all provinces must intervene.

[*Translation*]

Mr. René Laurin (Joliette, BQ): Mr. Speaker, I wish I could understand what Reformers have in mind with such a proposal. I have been trying all morning to figure out their real motives. Are they defending the interests of a private firm or their own interests on the eve of a byelection? This is what we must ask ourselves.

Supply

After all, the basis of their argument is that the federal government should get involved in a dispute between two private firms that signed a contract a few years ago and concerning which one of them is not happy.

● (1235)

This is like asking the federal government to step in between two hockey clubs because, two years after trading Lindros, one of them is not happy and feels it got shortchanged. This is almost the same thing.

Are we going to ask the federal government to get involved every time a private contract is signed by two major companies but one of them suddenly decides that it suffered a prejudice because it feels it could have made greater profits by acting differently or by agreeing to different conditions?

When one signs a contract, one must behave like an adult. Those who represented Churchill Falls when the contract was signed behaved like adults, as did those who represented Hydro-Quebec. There is a duly signed contract between two private firms. I do not see why we would want to set a precedent and ask the federal government to get involved, except to make voters believe that the Reform Party is the one that understands them best, the one with the solution to their economic woes of the last few years.

The best thing that voters can do is to wonder if they should put their trust in the Reform Party, given that, in the eyes of that party, an agreement is no assurance for the future.

[*English*]

Mr. Mayfield: Mr. Speaker, the member would have us believe that the Reform Party has come to Ottawa to begin thinking about what the country needs. I did not come to Ottawa because I was interested in the self-serving drivel I have heard from the opposite side and the government benches. I entered politics because of serious concerns of longstanding issues that need redress from my part of the country.

We did not go into Labrador simply to win a byelection. We were there long before this byelection was called. This is not a new issue that the Reform Party has dreamed up. This is an old, old issue that has been hurting and crying for redress for years and years and years. Simply because the Reform Party has the guts to stand up and say that enough is enough, something has to be done does not mean it was invented by the Reform Party.

We are simply speaking on behalf of the people who have been calling for redress for decades. This is nonsense that I am hearing from the member. This is an unjust contract. He knows it and what he says is to serve his own political purposes.

Supply

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, the hon. member from the Reform Party is dreaming if he thinks the contract will be reopened under any current circumstances primarily because it is far too profitable for Quebec.

The Reform Party has taken the position that Canada should set the terms for sovereignty before the next referendum. Has it occurred to the hon. member and his party that the Churchill Falls contract would certainly be something that would be open for negotiation in the event of any kind of debate or negotiation with respect to sovereignty?

I do not think we will ever see the day when there will be a referendum in which Quebecers choose to separate from Canada. However, we should still put on the table the fact that were there negotiations for a separate Quebec, the Churchill Falls contract would have to be on the table and Quebec would have to concede a fair arrangement with Newfoundland and Labrador which would probably cost the new sovereign state of Quebec many hundreds of millions of dollars annually.

Perhaps my colleague from the Reform Party would care to comment on those remarks.

Mr. Mayfield: Mr. Speaker, Quebec has been calling for fairness and justice about the injustice it has been suffering. Newfoundland and Labrador has been hurting very badly for a long time. If we are to have a country in which all of the provinces can hold together, then the interests and the needs of every region of the country must be given attention.

• (1240)

Are we to say to Quebec that its needs have not been met so it can go? Are we to say to Newfoundland that it has been hurting for a long time and maybe if it leaves Confederation it will be able to renegotiate a contract or say to go stuff it?

The interests of Newfoundland and Labrador must be attended to. The Government of Canada must attend to the interests of all regions of the country, including the eastern region of Newfoundland and Labrador. It must also attend to the needs of Quebec, I agree.

[*Translation*]

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies, BQ): Mr. Speaker, I would like to start by saying that, on occasion, I have wished in this House that the Reform Party became the official government of Canada. But over the past few weeks, and especially today, I have changed my mind.

The motion before us today deals with a contract signed on behalf of two corporations by very smart individuals who took months to negotiate and reach an agreement. The case was heard by

the Supreme Court of Canada, and the contract declared valid. A contract is a contract.

Reform members are taking advantage of the forthcoming elections in Newfoundland to engage in some Quebec bashing, telling Newfoundlanders that we are bad neighbours.

If you recall, Mr. Parizeau himself, at the last premiers' meeting, when Mr. Wells was still premier of Newfoundland, surprised Mr. Wells with a private offer to renegotiate the issue of a corridor through Quebec should the province become a country in the short term, which at the time was a strong possibility. We are very open to this kind of negotiations.

I would like to remind my colleague that if it were not for Quebec weighing heavily in favour of NAFTA, there would be no NAFTA agreement between Quebec and the U.S., and probably no GATT agreement, since it had a profound impact on the decisions in this respect.

I would like to ask a question of my hon. colleague who raised the issue of contracts; we have a proper contract, by which we will abide. In Canada, there is a basic contract called the Canadian Constitution. In 1982, the Constitution was patriated and Quebec was deliberately excluded from this contract. The terms of the contract were changed without Quebec's assent, against the will of Quebec's national assembly, even though Quebec used to be party to the contract. In Quebec, no premier, no political party—forget about sovereignists and let us look at federalists in Quebec—no federalist, the allies of our friends opposite, agreed to sign. We were excluded from this contract. Does my colleague find this normal?

[*English*]

Mr. Mayfield: Mr. Speaker, it is interesting that the member would say we are calling to have this contract judged. That has already been done. That is not what we are asking for. We are asking to have the contract renegotiated.

It is not only Churchill Falls that is the problem here. The problem is the blocking of a development which is waiting to spring up and benefit the people in that part of the country. The lower Churchill, the Voisey; there is so much happening there and this contract is a plug that will not allow events to flow through.

The Government of Canada should be prepared to take some leadership in opening up the possibilities for this to be resolved. We have suggested some of those possibilities but we are not the government in power. We are urging, pushing and suggesting that the government must take the initiative. If it cares for Newfoundland and the development of Labrador it must take the initiative. It must adjudicate fairly to the interests of both Quebec and Labrador. It must take action to relieve this impossible situation.

Supply

• (1245)

Hon. David Dingwall (Minister of Health, Lib.): Mr. Speaker, we have been in the Chamber for some time; you much longer than I. When I read today's orders of the day I was surprised, but not completely, the Reform Party of Canada put down as one of its opposition motions a subject matter dealing with a particular constituency which happens to be in the midst of a federal byelection.

An hon. member: Oh, oh.

Mr. Dingwall: We will have an opportunity to exchange views during the questions period. Whether the hon. member is disabled or not, we will have that opportunity. I ask him to be patient in terms of his interventions.

To the hon. member from Fraser Valley East, is if there was one shred of concern for the people of Newfoundland and Labrador why did he not have the absolute decency to come to the Chamber and put before us a votable motion? It is not a votable motion. That shows the strength of the conviction of the hon. member opposite. Some people in Newfoundland—not I—would say this is hypocrisy at its worst.

This is absolutely despicable on the part of Reform Party members, who are trying to position themselves as individuals concerned about the plight of the people of Newfoundland and Labrador; so much so that they have gone one step beyond by attempting to bloody the good name of the former member of Parliament who served there with great distinction for over 24 years. I think of my colleague, Mr. Rompkey, who we all know was able, concerned, dedicated and sincere in all of his activities on behalf of his constituents.

I find it passing strange the Reform Party would use this occasion, when a byelection is under way, to raise these issues, when it has never in the two years we have been in the House raised issues which affect the people of Labrador.

The people of Newfoundland and Labrador will not buy this. They will not buy your new found faith, your new found concern, your new found care, your new found compassion—

The Deputy Speaker: A minister who has been in the House will know he is not to address his colleagues by “you” but to address his remarks through the Chair.

Mr. Dingwall: Thank you, Mr. Speaker. Colleagues opposite know this will not wash with the people of Newfoundland and Labrador. I assure them of that.

If they really wanted to debate something that could be resolved quite easily they would have put some other subject matters on. They chose a particular contract, duly consummated between the Government of Quebec and the Government of Newfoundland. This has been adjudicated by the Supreme Court of Canada as

being a binding, legal contract on the parties. What does the Reform Party do? It says it should be broken up. To hell with the Supreme Court of Canada.

• (1250)

What hypocrisy. What stupidity. What unbelievable arrogance on the part of the Reform Party to tell the people of Newfoundland and Labrador that the way to go is to break legally binding contracts.

The hon. member shakes his head. He says: “We are just looking for a new way to resolve this dispute”, but he has not given one shred of evidence, one piece of constructive advice.

He disputes the government's position in dealing with this through the provision of internal trade agreements, which negotiations are being led by my very able colleague, the Minister of Industry, as well as the Minister of Natural Resources.

What is taking place here is nothing more than a sham by the Reform Party of Canada.

I thought its members might have talked about certain projects in the province of Newfoundland such as Hibernia, in which the Government of Canada has been involved. No, we have not heard from them on that initiative. They are probably against Hibernia, if the truth were known. If they are in favour of Hibernia, I would think the hon. member opposite would want to stand up to say he fully supports it.

Where are they on CFB Goose Bay? Where is the Reform Party on that issue? Silent. Not a word. Not a reference. No interventions relate to that. The base in Goose Bay, Labrador contributes about \$128 million to the province's GDP. That was in 1992. It has probably increased substantially in recent years. It is a significant boost to the economy.

The Atlantic Canada Opportunities Agency is working with community groups intending to foster economic development in that region. Has the hon. member stood in his place and said we need more of that kind of assistance and intervention by the state? No. His colleague stands in the House to criticize minister after minister who is trying to make money available for the purposes of economic development.

Mr. Strahl: Especially Liberals.

Mr. Dingwall: Mr. Speaker, he just said it all. It proves the point that the hon. member for Fraser Valley East is trying to play politics with the people of Newfoundland and Labrador.

The Vancouver *Province* of March 14, 1996 described hon. members opposite as: “Wacko Reform”. In Newfoundland people do not have to be reminded by Vancouver newspapers; they know the Reform Party is wacko reform when it comes to protecting and enhancing their economic interests.

Supply

Through ACOA the province of Newfoundland, in co-operation with the Government of Canada, has some of the best economic educational programs in North America. It build not only physical infrastructure but, just as important if not more so, human infrastructure. ACOA has added to that to assist in developing and in diversifying its economy.

The hon. member opposite has not stood in his place during question period over the last two and a half years supporting those efforts. He has criticized them; again my thesis that the hon. member opposite is playing cheap, nasty, dirty politics, which is typical of the leader of the Reform Party.

Perhaps the hon. member should state on the floor of the House of Commons whether he supports the leader of the Reform Party. We know the hon. member for Macleod, the bellhop for the party, does not support his leader. Perhaps I should correct that. The leader of the Reform Party does not support the hon. member for Macleod.

• (1255)

I raise this issue because this is the same member who stood up Thursday after the budget and said we were not putting enough into transfer payments. He had the byelections in Quebec and in Newfoundland in mind when he was saying those things.

What did his leader say this week? His leader cut him off, as he should have cut him off, and said: "I am sorry, there have to be more cuts to transfer payments".

At some point in time some will think it is a flip-flop on the part of Reform members in terms of their interests. They consistently say one thing in one part of Canada and another thing in another part of Canada.

When they go to Quebec they ease up and they are goozy, teary eyed, and they want to be friends to the people of Quebec. When they go to Newfoundland the handkerchiefs come out and they want to ooze up to the people of Newfoundland and Labrador; also when they go to Nova Scotia.

Canadians are not fooled by that. They have rejected Reform overwhelmingly and that is why members of its caucus are desperately seeking headlines in the byelection in Newfoundland in terms of misinformation, erroneous information, false information. Newfoundlanders have told me time and time again that the Reform Party is pretty careless with the truth.

The hon. member has not made one sentence in terms of the comprehensive Labrador co-operation agreement of \$67.2 million.. He has said nothing about the \$100 million economic renewal program which will also benefit Labrador. He has said nothing with regard to the Atlantic ground fishery program which will benefit the people of Labrador.

He made reference to one contract consummated by the Supreme Court of Canada which cannot be changed. The only reason he does that, as I indicated at the beginning of my remarks, is he knows it cannot be changed. He is doing it for political purposes. I would have thought the hon. member opposite would have a different view from that of his leader and some of his caucus members and that he would have come here today with constructive suggestions in terms of how the economy in one of the poorest regions of the country could be improved. No, he sets up a straw man, knowing full well what the Supreme Court of Canada has decided.

There is language to describe such conduct. I think the language will be best demonstrated to the hon. member, to the hon. member for McLeod and of course to the famous leader of the Reform Party clearly and unequivocally on election day when the people of Newfoundland and Labrador make their decision and reject overwhelmingly the hypocrisy of this member opposite and of the Reform Party in general.

Mr. Strahl: Nervous?

Mr. Dingwall: Nervous? Mr. Speaker, I will pay the hon. member \$15,000 or \$20,000 if he would only run against me. I will hold fundraisers for him if he would only come down and run against me. Run anywhere in Atlantic Canada. I will pay the member \$25,000. We will have a fundraiser just for the Reform Party so it can find a candidate.

• (1300)

If the hon. member wishes to take me up on the offer he has to put something on the table also such as a little bit of integrity, a little bit of honesty, a little bit of compassion, as opposed to being this anti-institution, anti-government, anti-individual, anti-Quebec, anti-democracy, anti-everything.

Their ranks are starting to grow, Mr. Speaker. They are like earwigs, they multiply when a little issue comes to the forefront.

One of their caucus members said about their own leader and their own party: "I have had enough of labouring under the image of a party that is downright scary". That does not come from us. That comes from the members opposite which adds to the thesis. This group of Canadians in the Reform Party are not concerned about Newfoundland. They are not concerned about the economic interests in that part of the country. They are not concerned about the economic interests of the people of Quebec or indeed elsewhere. They are playing an old game of cheap, sleazy politics.

This was the politics that the leader of the Reform Party said he was not going to be involved in. He is doing it. That is exactly what he is doing. I find, and I am sure Canadians will find, this kind of conduct very disgusting and will vote accordingly.

Supply

I do not need notes to debate the hon. member. I would debate the hon. member anywhere on any subject that he chooses to debate. The problem is that it is very difficult to debate with anyone who uses false and erroneous information and who tries to use poor people and poor regions of the country to his own political advantage.

I say to the people of Newfoundland and Labrador that the Reform Party has absolutely nothing to offer them in this election, absolutely nothing. The hon. member opposite asks me: "What do you have to offer?". We have lots to offer the people of Newfoundland and Labrador. The work that the hon. member who was the member for Labrador for 24 years will continue when we elect a Liberal member of Parliament from that constituency.

In closing, let me challenge the Reform Party. Instead of being anti-poor regions of this country, instead of being anti-Quebec, instead of being anti-those who are less fortunate than you are, stand in your place and put constructive ideas before the House of Commons. Support measures which will help people who are less fortunate than you are as opposed to playing cheap political games.

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I would like to make a few comments and ask a couple of questions of the minister. I thank him for that diatribe but I do not know why I really should.

There were a couple of things I noticed. One is that he would like to run against me in a future campaign. This is interesting. If he could ever figure out where the west coast is, he could come and take a tour. I could show him around. He would be welcome to run against me there.

Even if he were to run, of course, I know the minister is good at raising dollars. He raises and spends lots of bucks. If he wants to give me \$25,000 to run against him, he should be aware that in the debate, in a battle of wits he is unarmed. I hate to take advantage of an unarmed man.

He brought forward the following points. First, he did not deal with the motion at all. The sad part about the speeches of the Liberal side today is that they do not want to talk about this. They are saying: "Let's not talk about this. We are happy with the status quo. What is going on is perfect".

Mr. Rompkey was there for 25 years and for 25 years Labrador has been shipping hundreds of millions of dollars a year to Quebec under this deal and the Liberals are satisfied. They say: "It's a good deal. Don't talk about it. Don't ruffle the feathers. Don't cause any problems. We are happy over here on the Liberal side. It's a good deal. We're happy. Don't worry, be happy".

• (1305)

The people of Labrador are not happy. They have not been happy since this deal was signed and the minister's complacency, saying "just live with it because that's the way she is" is not good enough.

Development in Labrador is not good enough. The ability of Labrador to develop its natural resources is not good enough. It has not been able to take advantage of its natural wealth. It is not good enough to say just live with it.

The minister asks them to be satisfied with the TAGS program. First, the fishery is destroyed and then they are asked to be satisfied with some government handout. The people in Labrador do not need handouts. They need the federal government to quit taking them for granted.

If the hon. member would speak to the motion we could believe that he would be dissatisfied with the deal for not only Labrador, but for most of Atlantic Canada. Instead the minister defends his record as if he thinks he is doing a good job. Frankly I do not think the people of Atlantic Canada, and specifically Labrador, believe he is.

I think of the work done by the hon. member for Kootenay West when the Liberal government was willing to shut down the ferry service in Labrador Straits. The hon. member received many letters from that region thanking the Reform Party for standing up for their rights. I am getting phone calls and faxes throughout the day, even comments from people on the Hill that finally somebody is talking about Labrador. However, nothing has been said on the government side. They seem to be satisfied with the status quo.

I think of the wealth that is in Labrador. I have been to Voisey Bay. I have been on the ground and talked to the people. I have been throughout that whole region. I will go again and hope to go often.

When I see the wealth that is there and the fact they are not encouraged to develop it for the benefit of themselves and for the people in Newfoundland, I think it is disgusting that the Liberal Party opposite says: "Everything is okay, we do not want to talk about it. Mr. Strahl, why did you bring this motion up? We are happy to ignore Labrador, just suck out the resources, tax their pants off and leave them standing naked in a cold wind storm". It is not good enough.

Finally, I know the minister will support me on this. His initial thesis, if you can call it that, was that we did not care because this motion is not votable. I would ask for unanimous consent of the House to make the motion votable.

The Deputy Speaker: Colleagues, is there unanimous consent to make the motion votable?

Some hon. members: Agreed.

The Deputy Speaker: Is it agreed?

Supply

Some hon. members: Yes.

The Deputy Speaker: Very well. Do I see—

Some hon. members: No.

The Deputy Speaker: I will ask again. Is there unanimous consent to make the motion votable?

Some hon. members: Yes.

The Deputy Speaker: I do not hear any nos. I will assume therefore that the motion by unanimous consent is made votable.

Some hon. members: Oh, oh.

Some hon. members: No.

The Deputy Speaker: The hon. Minister of Health in reply.

Mr. Dingwall: Mr. Speaker, let me reply to the hon. member's intervention when he said: "I did not speak to the motion". I spoke to his motion. He said: "That the House condemns the government for its neglect of Labrador". The things I have outlined are exactly the things that the government has done for the people of Newfoundland and Labrador and the things we intend to do in the future. Therefore the first issue is false.

Second, the hon. member says that we are satisfied with the status quo. We are not satisfied with the status quo but we are certainly not satisfied with the approach of the Reform Party. It wishes to cut transfer payments even further. It wants to do away with regional and economic development.

Mr. Strahl: You would not need those things.

Mr. Dingwall: The hon. member says: "You would not need these things". He knows that there is a legally binding contract, affirmed by the Supreme Court of Canada. The hon. member's reaction opposite is to throw his hands in the air and say, so what?

I am afraid that members on this side of the House and people across the country respect the law and it is high time that the hon. member opposite showed some respect for the law as well.

The hon. member is somewhat agitated and I can understand why. His party has gone down to 13 per cent nationally and it is going to go down the tubes in Newfoundland and Labrador.

• (1310)

The hon. member is making a false case. If he thinks that the people of Newfoundland and Labrador are going to buy this new found concern and compassion during an election campaign when you have stood in this House and repeatedly faulted this government for putting money into regional economic development, for putting money into Goose Bay, for putting money into various economic development agreements, for putting money into various

institutions in that part of the country, you are the party that have opposed all that.

The Deputy Speaker: The minister has now used the word you at least seven or eight times. I would ask him if he would please remember the rules of the House and not use the word you other than referring to the occupant of the Chair.

Mr. Dingwall: Mr. Speaker, the hon. member knows full well that his is the party that has consistently and repeatedly railed against economic development in Canada for two and a half years. Now, all of a sudden, because there is a byelection in Newfoundland, the people in that part of the country are now going to accept that the members opposite are compassionate. We will not be fooled by that hypocrisy.

The Deputy Speaker: Resuming debate, the hon. member. Before I do, colleagues, I might indicate that not having heard a no on the final time I asked if there were any nos, I ruled that the matter was votable and the question will be put at the end of the debate.

Mr. Grant Hill (MacLeod, Ref.): Mr. Speaker, I am privileged to debate this issue. The previous speaker was pretty good. I would say he generated fair emotion and experience in his speech.

However, I do reflect on his words in a specific way. I would like those who are listening to the debate to decide whether the minister is satisfied with the Churchill Falls power agreement. Is he satisfied with the status quo?

I was the first Reformer to go to Labrador. I visited quite some time ago. It was my choice to visit. Having made that choice, some of my colleagues asked: "Why are you going there? This is a cold and bitter spot. Why would you go to Labrador?" The answer is very straightforward. I am quite interested in the activities of the north and I found myself on the ground.

I was inexperienced in Labrador. I have spent some time in the north in my own part of the country but I had never been lucky enough to go to Labrador. It was fascinating how I was treated. I was treated with some scepticism, I must admit. I was treated with some degree of misunderstanding, which I also accept. However, I found a few issues in Labrador that are profoundly important to the people there.

One of those issues was brought to the table by my colleague, the power agreement at Churchill Falls. I met one of the men who first worked in Churchill Falls. He told me that whatever Reformers do, we should not buy the line that the Churchill Falls agreement is over and done with forever. He told me to look at the agreement and I would find that the excess power that is generated could be used by Newfoundland. It need not go through the convoluted agreement to coffer elsewhere. He told me to look carefully and I would find that the only thing necessary for Newfoundlanders to benefit from their own power is for superconductor transmission lines to go from Churchill Falls, the source of the power, through

Newfoundland. In fact Churchill Falls could provide all of the power needs for Newfoundland at a significant savings to that province. Why can we not do that? We cannot do that because the money is not available to build that transmission line.

• (1315)

I took the time to look into that agreement and what he told me was true, that Newfoundland could generate its own power and the excess power and benefit from it. To those status quo Liberals who say that the Supreme Court has ruled this agreement is over and done with, I say hear, hear. The agreement is a secure binding agreement, but Newfoundland could take the excess power.

The fellow who showed me around Labrador also said that the former member had been a very dignified member. I take nothing from the member who has gone on to the Senate, his reward in the sky. He told me that when the issue of gun registration came on the table, many Labradorians did not understand it. They asked for the former member's advice. They could not reach the member; he would not come home; he did not respond. His executive assistant in Labrador was usually easy to reach but he seemed to disappear and became very difficult to reach. He would not answer their phone calls and he would not respond when they asked for public meetings.

This individual took me to meet people to whom firearm registration was an unknown concept. He asked me what we would do with firearm registration. I told him that I had a commitment from my leader and my caucus colleagues that firearm registration was not the way to go. I told him we would love to have the bill split into two. We would quickly pass the portion of the bill that makes stricter penalties for the criminal misuse of firearms. We would take the part of the bill that talked about interfering where we do not think interference would be successful and we would toss it into the dustbin of history. He asked if I would give him that in writing. I said not only would I give it to him in writing but I would get it in writing from my leader. He responded by saying we should talk to some people with strong feelings on the issue.

On a rainy Sunday afternoon he drove me out to a gravel pit. I wondered where I was going; I thought perhaps he was going to finish me off. At the gravel pit there was a group of young men who were keen internationally renowned competitive shooters. He said to them: "Fellows, come over here and talk to this guy. He is from Alberta, a Reform member of Parliament. He is the first one to step on Labrador soil as a member of Parliament. He says the Reform Party will throw the gun registration component of Bill C-68 into the dustbin of history. Do you believe him?" They replied: "No, we don't believe him for a second. He is a politician and they are all as crooked as question marks". The fellow said: "Boys, I have talked to a lot of politicians and I have looked them in the eye and I think this fellow is telling us the truth". He said that he was going to join the party and that he would work hard for it.

Supply

This was well before the byelection was called, well before there was any idea that we would be fighting on this ground. I came back and told my colleagues that there was fertile ground in Labrador.

There is another issue that annoyed the people of Labrador. There is a line on most maps that indicates the boundary between Labrador and Quebec. One of the fellows told me there are some people in Quebec who do not accept that boundary. In fact, on some maps the boundary is absent. When tourists come from Quebec to Labrador, they are actually told that Labrador is part of Quebec.

Mr. Strahl: Come on.

Mr. Hill (Macleod): It is true. Annoy a Labradorian more than to tell a Labradorian they do not belong to Newfoundland; I do not believe that can be done. He said to me: "You make sure that your Reform colleagues know that Labrador is a part of Newfoundland and we are going to stay a part of Newfoundland. When you come here make certain that is clear".

• (1320)

It was fertile ground for Reform well before the byelection. It was fertile ground because those individuals determined that we are no longer going to dump wheelbarrows full of money on the ground to try to buy their votes. Reformers will tell it exactly as it is.

ACOA, FEDNOR and western economic diversification have been mechanisms for big political parties to buy votes. The way to get votes in Labrador is to tell the truth, to specifically say to individuals in Labrador that they do not need handouts. They need an environment in which they can thrive. They need a debt that is no longer sucking the lifeblood out of the future of their children. They need to have places where they can go to university and not be left without training.

Labradorians respond to that truth. Labradorians respond to common sense. Labradorians respond to a specific issue that says when they send a Reformer from Labrador to the Parliament of Canada they will not be sending a trained seal. They will not be sending someone who bows to the party wishes. They will be sending someone who gives party input.

I say plainly to my colleagues across the way: When the old way of doing politics is over, when the old way of campaigning is over, Labradorians may look again at the Liberals for their member of Parliament.

I make a prediction here today that Labradorians are going to show the way of the future in Canada when they vote in the byelection.

Supply

Mrs. Jean Payne (St. John's West, Lib.): Mr. Speaker, I listened with great interest to the words of my colleague from the third party.

He spoke about Newfoundland being a part of Labrador. Newfoundlanders always knew that Labrador was a part of Newfoundland, not Quebec. They have known it for years. We do not have to be told that. We are not dumb.

He also said that we need to get rid of the debt so that the government is not sucking the lifeblood out of Newfoundlanders. During the budget debate and prior to it, if we took what they were saying, those members would have sucked the lifeblood out of Newfoundlanders and Labradorians long ago, not just Newfoundlanders but other Canadians as well.

There is one point the hon. member made to which I take particular exception. It was his comment that the gentleman who took him on a tour of Labrador brought him to a sandpit and he thought he was going to be done in. Newfoundlanders are not like that. Newfoundlanders are responsible, trusting, respectable people. We do not go around doing other people in.

Mr. Hill (MacLeod): Mr. Speaker, I seem to have struck an interesting chord with the hon. member opposite.

Light hearted comments made in the House I am sure should be taken in a light hearted fashion. If the hon. member thinks for one second that I really thought I was going to be done in during my visit to the gravel pit, that is quite far from the truth. A little chuckle might be worthwhile in the House occasionally.

• (1325)

[Translation]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, I have a short question and a small comment. Can my colleague from the Reform Party tell us why his party, which has so much to say about the law and financial matters, which has so many principles on paper, introduced this debate today, unless, as my colleagues across the way have so eloquently said, it was simply for the purpose of indulging in petty politics, or wasting the time of the entire House? I hope that he will give an honest answer to this question.

Mr. Hill (MacLeod): Mr. Speaker, why a debate on this topic? Is a byelection not a very important debate for the Bloc Quebecois members? It is not a very important question for him, but it is very important for us. It is difficult for a Western party to come East and make a new proposal for this region of Canada.

I have a question for the Bloc Quebecois member. Before the sovereignty debate, why did we speak about Quebec? It is the same thing.

[English]

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I am pleased to have the opportunity to speak to the Reform Party motion.

I will talk a little bit about the actual facts in the motion, the Churchill Falls agreement. I want to talk about what has been discussed over the last few minutes, exactly how much support the federal government has provided to Newfoundland and Labrador. It is indeed significant.

I will also talk about the absolute political inconsistency and hypocrisy of the Reform Party in bringing forward this motion some few days before a byelection takes place in Labrador, an area which before the byelection the Reform Party hardly new existed.

I will be quite straightforward. A contract exists in respect of Churchill Falls that was freely entered into and which has been ratified by the Supreme Court. That is a reality. In hindsight one might suggest it was not necessarily a good contract to enter into. Coming from the financial business area, I can say there are a lot of contracts that one could look back on and ask: I wonder why I ever did that. Unfortunately, one rule of law, one of the tenets we have in Canada and something that keeps us going is the fact that we respect contracts. In this case, the contract has been ratified by the Supreme Court.

The member is right. Things have changed a lot since the contract was signed. At the time it probably seemed like a good deal. Energy costs were low. The only practical way to deliver power from Labrador is through Quebec. Quite frankly, when the project was being developed thousands of jobs were created for the people of Newfoundland and Labrador. However, hindsight is 20-20. An oil crisis ensued shortly after that and there was an increase in the cost of energy. I guess we learned that long term contracts are probably not always the best way to go. The Supreme Court spoke to this matter and clearly stated that it was a firm contract.

The Reform Party knows and consistently insists that natural resources and the management of natural resources is not the purview of the federal government but is the purview of provincial governments. That is something the Reform Party not only wants to see continue but it also wants to see it enhanced.

• (1330)

Quite frankly, the federal government does assist Labrador and Newfoundland in developing its natural resources. It has worked with the province in the hope of finding ways to develop on the lower Churchill. It went on record in 1975 of offering financial assistance in the development of a transmission link to the island. It is now working at Voisey Bay to find the tools we need to find ways of streamlining the regulatory regime. In fact the member who put forward this motion has worked closely with the natural resources

committee and signed off on a unanimous report on finding ways to ensure that we can assist in the important development of Voisey Bay to make sure that it can come on stream, that it can be a reality and that jobs will be created in Labrador and Newfoundland.

Not just as the federal government have we supported that province through the natural resource sector, in Labrador today there is the Canadian forces base at Goose Bay which adds \$128 million to the local economy. That is more than fish harvesting and trapping; it is about the same as what pulp and paper and agriculture together supply. The federal government through the establishment of CFB Goose Bay adds tremendously to the economy.

Other types of assistance are provided. There is the whole issue of transfer payments from the federal government to the provincial governments. I know that my Reform colleagues across the way might suggest it should be equal for each province, but we feel a little differently over here. Areas of the country which are most in need require greater assistance than some of the other areas. That is borne out when we look at the fact that Labrador and Newfoundland has the highest per capita rate by which we provide transfers to the provinces. That is the way it should be. It is the way the Reform Party would want to see ended.

Let us talk about the Reform Party and Labrador and Newfoundland. First, it was very difficult in fact near impossible to find that subject in the 1993 Reform Party campaign literature and campaign platform. As I said at the beginning of my speech, this discovery of Labrador and Newfoundland seems to have occurred only with the advent of a byelection in that area. If one goes through the record of this House and looks in *Hansard* for a reference to Labrador by the Reform Party, it will be a very thin record that will be found.

Let us talk a bit about the Reform Party and what great things it will do for Labrador. I notice the finance critic was one of the architects of the 1995 Reform budget. Unfortunately the Reform Party did not get around to doing a 1996 one. I will touch on some of the things Reform suggested and the impact they would have on the people of Labrador.

Reform would get rid of the Canada pension plan. It would give up on it and replace it with private RRSPs. This is great if one happens to have a lot of money. Those who earn a lot of money can establish their own RRSPs. With the Reform budget, those who are not that fortunate to be at the upper end of the income scale are simply out of luck.

A \$20 billion suggestion on reductions in social programs was in the Reform budget of 1995. I wonder how that would play out for the people of Labrador. I doubt that it would be a real positive thing for them.

Supply

Besides looking at the Reform budget and campaign literature, perhaps we should move right to what the Reform leader had to say about Labrador and Newfoundland. I understand the leader was in that area in September 1994. I happened to look at a couple of newspaper clippings on that visit. I want to make sure the people of Labrador know exactly what the leader of the Reform Party had to say. On another issue affecting Newfoundland he said: "The unemployment insurance system should be reformed so that seasonal workers are taken out of the system". My goodness, the leader of the third party is suggesting that seasonal workers, on whom we depend so much in rural Canada and in Labrador, should not be included in the UI system. I hope the people of Labrador know that is the position of the leader of the Reform Party.

● (1335)

We know from many exchanges in the House that the Reform Party does not believe in regional development agencies. That is certainly shared by the Reform leader when he goes on to say in that article that the Atlantic Canada Opportunities Agency should be disbanded.

The Reform Party is suggesting all the assistance that has been provided over the years has not been the appropriate way to go, regardless of the fact that there might be an economy that is in need of special assistance so that the private sector can do its job. I agree with him that long term job creation will come from the private sector but sometimes the private sector needs assistance. The Atlantic Canada Opportunities Agency does that but the Reform Party would see it eliminated.

There are some inconsistencies between what is being put forward by the third party today, what its policy seems to be suggesting in this motion and what in fact it says on an ongoing basis. Earlier we talked about natural resources. The Reform Party's policy states clearly that the federal government ought not to have a role in the management of natural resources. What did Reform do today? It put forward a motion that suggested the federal government should intervene in it. This is totally inconsistent. Reform cannot on the one hand say we do not have any business there and then on the other hand say we should intervene.

We have here a party which prides itself on being the party of free enterprise, the party of the private sector, and all of the stuff that goes with that. Yet the Reform Party says a contract that was freely entered into, probably as a mistake by some of the parties, and confirmed by the Supreme Court should be set aside. That seems a very strange position to be taken by the Reform Party.

We should see this motion for exactly what it is: a crass political attempt during a byelection to gain political support in a part of the country the Reform Party historically has ignored. It is a party

Supply

whose policies are certainly not in the best interests of the people of Labrador and Newfoundland.

Reformers talk about doing politics in a new way and bringing something new to this House. All we have seen is old politics, the old way of trying to take advantage of the situation and the old inconsistencies.

Mr. Philip Mayfield (Cariboo—Chilcotin, Ref.): Mr. Speaker, the member has made some point of discussing the regional economic development which goes on out there and Reform Party policy. He mentioned my leader, the member from Calgary Southwest, at least three times. He has said a lot of things.

The hon. member should look at what the Reform Party is about and not simply what his own party is saying about Reformers. The Reform Party really would like to see Canadians be independent, to be able to care for themselves, to take satisfaction in their achievements. That is what we would like for the provinces as well. We would like for Labrador and Newfoundland, as well as all the other provinces, to be strong, economically capable and self-sufficient. As a British Columbian I am really proud that we have the strength, the economy and the wealth that benefits other provinces and other people in Canada.

• (1340)

In the member's justification of all the things the government has done over the years for Newfoundland and Labrador, such as the army bases and bringing in money through economic development funds, would he tell me how prosperous the province has become as a result of Liberal initiatives?

Mr. Mitchell: Mr. Speaker, the hon. member opposite went on about his great pride in the country, which I share with him.

He talked about wanting to have the opportunity for everybody to have a fair shot at economic prosperity. What is missed here, which I think the Reform Party generally misses, is that government has a role to help both the people and the areas of the country that are least advantaged.

Reformers are right in that we have an economic responsibility as a government. We fulfil that economic responsibility very well. But what they forget and what they ignore is the fact that government has a second responsibility, a social responsibility. The people of Labrador and Newfoundland know very well that the Reform Party if given an opportunity to govern would spend its time strictly on economic affairs and would forget the social responsibility. That is what the future would hold if that party were in power.

The government when it governs the people must remember that it has that dual responsibility. Yes, it must manage the economic affairs of the country well and it has a firm responsibility in that

area. However, it has a social responsibility to ensure that those regions which are less advantaged and those individuals in society who are less advantaged have an opportunity as well.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, in 1969, the federal government could have forced Quebec to open a corridor to let Newfoundland run its power lines through Quebec's territory. It did not do that. Had it done so, it would have been totally unacceptable.

I ask the member opposite, who is the chairman of the natural resources committee, to assure me that his government will respect the terms of the contract, which was duly signed—as the member himself said earlier—between the CFLCO and Hydro-Quebec.

[*English*]

Mr. Mitchell: Mr. Speaker, I accept the fact that there is a contract in place which governs the power coming from the upper Churchill River. There will come a day, hopefully in the not too distant future, when the economics of energy will be a little different from what they are today. The demand for hydroelectricity will increase and the opportunity will exist for Labrador and Newfoundland to sell the power to create new facilities on the lower part of the system. That will come when the economy changes and demand increases. At that time it will be quite right for the people of Labrador and Newfoundland to look at the best way in which they can use that increased capacity.

I look forward to that day. I look forward to the people of Labrador and Newfoundland being able to do further development in their best interests.

Mr. Herb Grubel (Capilano—Howe Sound, Ref.): Mr. Speaker, I would like to respond to a total falsehood which was presented by the hon. member when he mentioned that the Reform taxpayers budget had planned to cut \$20 billion out of social program spending. Our budget committed very firmly to a maximum reduction in transfers to provinces, the famous money going to medicare, higher education and CAP, of only about \$3 billion. Whereas his government took \$7 billion from this program. It is totally false.

• (1345)

Over three years the total reduction in program spending would have been \$16 billion, and well over half of that would have come out of savings, inefficiencies, overlap between governments, outrageous programs that had been bloated over the last 30 years. This is simply an incorrect representation which is despicable because it adds to something that is simply wrong.

Mr. Mitchell: Mr. Speaker, it does not add to something which is totally false, it simply reinforces the reality of the situation.

The budget brought forward by the Reform Party stated a goal, an objective of where it wanted to be economically. Then it listed a number of fiscal measures that should be undertaken. There was a funny thing about that. When we add up the specific measures it suggested and compared them with the goal it was trying to reach, the two did not match.

There was a big pool of cuts that needed to be made which it was not willing to make clear. There were big cuts the Canadian people were to be asked to undertake but they were not spelled out. It did not tell Canadians the specifics of what they would be. That is the reality of the Reform budget.

It was calling for all of these cuts and these things to happen, but it was not willing to put in writing each and every cut that would have to be made to reach the target it wanted to achieve.

Quite frankly, the Liberal government and the finance minister through his three budgets have shown a path to the Canadian people by which we can reach good fiscal management, substantially reduce the deficit and do it in a way that is paced in an appropriate manner and in a way that combines the two responsibilities I talked about earlier, the fiscal responsibility the government has and its social responsibility.

I think the reaction of Canadians to the budget of the Minister of Finance shows we are on the right course which will bring sound fiscal management to the country in a way the Canadian people think is appropriate.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, to respond to the last statement from the hon. member for Parry Sound—Muskoka, the answer to the question from the member for Capilano—Howe Sound was very revealing not only about the communications techniques of the government but about the character of the hon. member.

He was caught expressing, I suspect inadvertently, a falsehood regarding what was in Reform's budget proposal last year. He said the party had committed to cutting \$20 billion out of social spending, something which by simply referencing the page can be seen to be untrue.

Then having been caught saying that, his answer is the budget really did not specify the cuts at all. Now he says precisely the opposite. He might want to bother to check the documents before he makes statements.

Reform proposed in the last election precisely what it would cut. It expressed those cuts to the people of Labrador as well as to people in other parts of the country. It did the same thing in the taxpayers budget. The numbers add, up if the hon. member bothers to read them.

Supply

Where we will not find reference to cuts, reference to cutting seasonal workers on unemployment insurance, reference to the elimination of old age security, reference to the massive cuts in the order of 40 per cent to 50 per cent in transfers for health, post secondary education and welfare is in the red book. Nor will they be found in the document on which his party and this member ran in Newfoundland and in all other provinces.

• (1350)

This member will get up and pontificate so wisely on these issues but he ran on one thing and he will now vote for the precise opposite measure in every other category.

I am not afraid to say what I believe because that is the platform I ran on. Some of those measures are positive. We ran on those measures. That is what we said should have been done. However, this member who is enrolled in the MP pension plan had an obligation to tell his own electors the truth, but he did not do that. Instead he told people what they wanted to hear. Now he goes along with the party because he will go along with anything. That is what we have and that is precisely why in Labrador and in so many other parts of the country politics is held in such disrepute.

I repeat what I said in my budget speech. I honestly do not know how some of these socialist Liberals live with this. Some of them are sincerely committed to their principles. They have now proposed and enacted \$25 billion in cuts. That is a figure from the last budget by the Minister of Finance; more cuts than were proposed by the Reform Party in 1993, the slash and burn Reform Party.

We still have a \$15 billion deficit which is the real unknown figure. How are we to fix that remaining \$14 billion, although they say it is \$17 billion counting their reserves? How is that remaining \$14 billion to be cut? We have not been told that yet. I suspect much of it will come near the turn of the century when they actually implement their cuts to old age security. Then we will find out what they really mean.

We found out on health care. We talked about cutting health care, saying we should actually spend zero in 1993. We said we should have cut about a billion last year. They said this was awful. Now the cuts in the health care area are many times that; \$4.3 billion.

The motion today is:

That this House condemn the government for its neglect of Labrador, and for refusing to resolve the injustice of the Churchill Falls Hydro Contract, thus perpetuating interprovincial trade barriers and denying the residents of Labrador the right to enjoy the benefits of their own natural resources.

The hon. member sees this as a contradiction; another of his contradictions. He said: "I thought the Reform Party would stay out of natural resources. Now it wants to regulate natural resources". Nobody is proposing to tell the Government of Newfoundland how to run its power. We are proposing to open up

Supply

interprovincial trade. It is just a slight distinction but the hon. member may want to read the motion.

Reform has chosen this as its motion for supply day. In that regard the debate has been very interesting. We have been talking on this side about the Churchill Falls contract and about the situation of Labrador, Newfoundland generally, in Confederation, in interprovincial trade and in other arrangements.

The official opposition has had nothing to say. We are told this is the national opposition. It has nothing to say because it does not happen in Quebec and therefore has no relevance. It does address Quebec indirectly but it is of no relevance whatsoever.

In the case of the Liberal Party, rarely if at all today have we heard the issue addressed. Instead we have heard constant reference to the fact there are two byelections in Newfoundland, one in Labrador and one in the riding of the former minister of fisheries. That is what the Liberals' main concern has been, an election. The focus is that there is an election and there is electioneering. Who has been talking about elections here today? The Liberals.

• (1355)

There is a byelection in Labrador and those who say it is a terrible, dishonourable and despicable thing to somehow talk about the needs of Labrador at this time I think are wrong. I say byelection, why not? Why not talk about the concerns of Labrador when there is a byelection in Labrador?

Mr. Speaker, as you know and have written very eloquently on this problem, this is one of the perennially ignored backwater regions of the country, one that is always getting the short end of the stick and never paid any attention at election time.

The hon. member for Parry Sound—Muskoka is quite right that the Reform Party election platform never mentioned Labrador in the last election. Without having reviewed every page of it, any money Labrador is not mentioned in the red book either, from a party that has been in existence since Confederation and that has represented that riding for most of its time in Canada.

It has been ignored, not unlike the west, not unlike many of the ridings our members represent in western Canada, particularly in the northern part of western Canada. It has been viewed, as are many of the ridings of more remote areas, by traditional parties as really rotten boroughs, a place where a few handouts can be provided and the member can be expected to be re-elected until such time as he moves on to the other place.

One of my colleagues referred to the other place as his reward high above. I think that is a little different. The rewards may not all be high above. The place down there is on the same level as this, at least in terms of altitude.

I have mentioned many times in the House that we need Senate reform. Labrador is incredibly large. We need Senate reform so that important large resource producing regions have a meaningful long term role in the governance of the country.

A few people in the House probably remember that in 1971 the people in Labrador were so outraged by their treatment not only by the signing of the Churchill Falls contract in 1969 but by their general treatment from the Government of Newfoundland that they actually elected an independent Labrador representative, a representative from the New Labrador Party in 1971.

It caused quite a sensation at the time because the member very briefly held the balance of power between the two traditional parties. It was one brief attempt by the people of Labrador to assert their needs in the political system. It did not last long because frankly the system makes it very difficult for an area like that to play a meaningful role.

We have heard from the Liberals nothing but concerns about the election itself and electioneering. We have heard on the issue itself silence, particularly from Newfoundland members. I notice with some pride and gratitude that the government has agreed to make this a votable motion. It is now a votable motion. I am happy to see that.

I was in the House when consent for a votable motion was asked. I know the hon. member for St. John's West did not want this to be votable motion for whatever reason. I guess because she is such a well trained Liberal backbencher she was not used to shouting out her point of view. Mr. Speaker, you decided you had heard unanimity. I am glad to see we have a votable motion today.

It is very interesting to listen to the Liberals today bragging about their concern for Labrador and pointing to what they see as the Reform Party's lack of concern for this region and similar regions.

The bases for their accusations are the following. I will point out several things I have heard referenced. The Reform Party is not firmly supportive of the current system of unemployment insurance, particularly as it relates to seasonal industry. The Reform Party does not fully support all the workings and objectives of the welfare system. The Reform Party is not the strongest supporter of TAGS, the strongest supporter of subsidies to the beleaguered fishing industry.

• (1400)

The Minister of Health, in particular, went on at great length about how this illustrates the Reform Party's lack of compassion—words we heard a lot today—its lack of sympathy or its lack of pity for the people of Newfoundland and Labrador. I believe that, more than anything, illustrates the difference between these two parties.

Supply

It is true that this party does not want to view the people of Labrador and Newfoundland with compassion, with sympathy and with pity. These people, like Canadians in my province and elsewhere, deserve hope, deserve economic growth and economic opportunity. They are not pitiful and sympathetic characters just around for when it comes to some program the Liberals can point to and say: "We are giving you billions of dollars in your own money". That is a very different attitude toward not only how we deal with the remote and undeveloped regions of the country, but it is also an attitude which tells us why we have such large, remote and undeveloped regions in this country.

The Churchill Falls project in Labrador, which is at the centre of the motion, is also a very interesting topic symbolically because it underlines a perspective heard in Newfoundland and particularly in Labrador that is very different than the problems of Quebec separation.

The people from this part of the world, particularly from Ontario where I grew up, are very concerned that if Quebec leaves it creates this giant hole and a divided country. This is of course a concern we all share. However, when we look at what has happened with the Churchill Falls contract and what happened with Labrador's attempts to integrate its economy into North America, we see that already for those people the country is already divided and there is a giant hole between them and the markets in the rest of North America.

It goes back not just to the Churchill Falls contract but even before that. Despite the fact that Newfoundland and Labrador were knitted into this country in 1949 with an agreement that respected their territory, the province of Quebec has consistently not only used its geographical position to block Labrador but has even staked territorial claims on the province of Newfoundland. Frankly, I am not aware of anything resembling this in another federation, certainly not in the 20th century.

Newfoundland's territory was recognized in the 1949 terms of the union but that has not stopped provincial governments not only in Quebec from publishing maps which show all or part of Labrador as part of Quebec, but even in the case of the federal Progressive Conservatives. It actually in its own campaign literature in Quebec used to show Labrador as a part of Quebec. That was a federal political party.

Churchill Falls is, in my view, Newfoundland's national energy program. The national energy program was, as you know, Mr. Speaker, probably one of the most blatant attempts of a government, in the history of a democratic country, to plunder the legal resources of another part of the country through federal statutes. It was, as some will use the expression here, a contract. It was law. It certainly was law. It did a lot of damage. We know the numbers

from Alberta. It did a lot of damage. In the case of the Churchill Falls contract, the damage has been longer, deeper and, in a sense, much more serious because although strictly the financial numbers are not quite as impressive as the national energy program, we are dealing with an economy that is much shallower and much less developed.

In a sense, because nobody would respect the rights of Newfoundland and Labrador under the Constitution, it was all legal, just like the national energy program was legal. It was just like the Pearson airport contract was legal but it did not stop that from being torn up. It was just like the EH-101 contracts were all legal. It was just like the red book made promises to Canadians about their health care, their pensions and the GST. We can tear all those up too. But this one is a contract. It is legal.

• (1405)

The fact is this contract was implemented primarily because Quebec was able to use its geographic position to block the sale of Labrador power and it was backed in doing so by the complicity through silence of the federal government, actually the Liberal Pearson government of the 1960s.

The contract was signed in 1969. It requires Newfoundland to sell power to Hydro Quebec at a flat pre-OPEC price. When it was signed Hydro Quebec would not permit Newfoundland to construct the hydro facilities necessary to send its power to customers in the New England states unless Newfoundland sold the power to Quebec which in turn sold it to New England.

The situation presents a clear trade barrier. At the time the agreement was signed the federal government knew that it was in a position to require Hydro Quebec to allow Newfoundland to wheel power for export to New England. It simply failed to do so.

In 1995 the net result of the power contract is that Newfoundland earns only \$20 million each year from Churchill Falls electricity sales. Hydro Quebec, on the other hand, earns an annual profit of \$800 million from the resale of Newfoundland power in New England.

This is an interesting statistic. This \$800 million constitutes two-thirds of Newfoundland's entire equalization payments. Once again, there is the difference I was talking about. There is no problem with giving Newfoundland \$800 million if it can be given in the form of a handout or a welfare cheque where they can then say: "See how dependent they are on the magnificent generosity of the federal Liberal government". When it comes to making sure Newfoundland has \$800 million in economic opportunity it cannot do anything about that. That is business.

Patrick O'Flaherty of the *Montreal Gazette* wrote:

The only reason Newfoundland was forced to sell hydro power to a hostile broker in the first place was that the Pearson Liberals declined to force Quebec to accept a power

Supply

corridor through its territory—something Ottawa had the authority to do. Without such a corridor, the development of Churchill Falls could take place only on Quebec's terms which was exactly what happened.

I would like to point out the relevant sections of the Constitution if they had been enforced by the appropriate authorities. The federal government has the right to create a power corridor through the following sections of the BNA act: section 92(10), provincial legislative authority extends to the following; local works and undertakings other than such as are of the following classes: (a) lines of steam and other ships, railways, canals, telegraphs, and other works and undertakings connecting the province with any other or others of the provinces, or extending beyond the limits of the province; section 91, legislative authority of Parliament extends to the regulation of trade and commerce; and section 121, provides that all articles of the growth, produce, or manufacture of any one of the provinces shall, from and after the union, be admitted free into each of the other provinces.

The fact is that successive Liberal and Conservative governments over the past 27 years have failed to uphold Newfoundland's constitutional right to sell power directly to New England.

I would also point out that the recently negotiated internal trade agreement provides no such guarantee to Newfoundland in the future. The energy provisions of the deal are still under negotiation. Meanwhile the Churchill Falls power contract extends to the year 2041.

Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): A point of order, Mr. Speaker. I am forced to rise and interrupt the hon. member and I apologize to him for doing so. I understand that we have to do these things at the earliest opportunity.

I have just received a copy of what is commonly referred to as the "blues", or the accelerated or fast version of the *Hansard* of today. It is in reference to something that occurred earlier in which Mr. Speaker said in reference to unanimous consent and I read here from the record:

The Deputy Speaker: Colleagues, is there unanimous consent to make the motion votable?

Some hon. members: Agreed.

The Deputy Speaker: Is it agreed?

Some hon. members: Yes.

The Deputy Speaker: Very well, do I see—

Some hon. members: No.

The Deputy Speaker: I will ask again. Is there unanimous consent to make the motion votable?

Some hon. members: Yes.

The Deputy Speaker: I do not hear any nos. I will assume therefore the motion by unanimous consent is made votable—

Some hon. members: No.

• (1410)

On two occasions on the record of the House of Commons it is stated that members refused unanimous consent.

Third, I would invite the Speaker to check the remarks made only two or three minutes ago by the hon. member from Calgary who had the floor. He admitted hearing the hon. member for St. John's West say no.

The admission of the hon. member, whose party asked a little earlier to make the motion votable, was that consent had been refused by another hon. member. Furthermore, there are the two references in *Hansard*.

I recognize that it will be difficult for the Chair to rule on this immediately. But I invite Mr. Speaker to review both the "blues" I just referred to and the remarks of a moment ago by the hon. member from Calgary in which he admitted that unanimous consent had not been achieved and to rule on it, possibly on Monday on the return of the House.

[*Translation*]

Mr. Pomerleau: Mr. Speaker, my point of order is on the same issue and is along the same line as the comments made by the Liberal member.

There was a misunderstanding in the House, I believe. Some members did say no. However, when you asked the question a second time, a large number of members had already left, probably to have lunch. This is the reason for that misunderstanding. The fact is that some members from both sides of the House had said no.

[*English*]

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I rise on the same point of order. I think confusion rests, as is often the case when something comes up which is somewhat unexpected, with members going back and forth asking what to do, especially on the government's side. That is where the confusion seemed to be.

The Minister of Health specifically said that I had refused to make it votable. In my response I said: "Then let us make it votable". He then spoke to his colleagues.

I know you were very definite. You said it several times. However, Standing Order 10 says:

The Speaker shall preserve order and decorum, and shall decide questions of order. In deciding a point of order or practice, the Speaker shall state the Standing Order or other authority applicable to the case. No debate shall be permitted on any such decision, and no such decision shall be subject to an appeal to the House.

We are being appealed to and I think it is out of order.

Supply

The Deputy Speaker: Colleagues, I have the “blues” as well. I think the chief whip to the government has accurately stated what the “blues” say.

The difficulty is that the gentleman or lady who sits at the table may hear things that the Chair does not. As you all know, colleagues, the Chair is a long way from where members sit. I think frequently the gentlemen taking the notes may have heard somebody say no. I did not hear anybody say no.

I hasten to say that I heard no the first time. But as my colleague indicated, the member who said no got up and left the Chamber between the first and second question.

With respect to the point that the hon. member for Calgary West said he heard the member for St. John's West whisper or say no, I did not hear the hon. member for St. John's West or any member say no at the time the second question was asked.

Accordingly, I would remind hon. colleagues, this is what I heard and the Chair has to listen with his or her own ears. In future if members wish to say no, they should make it very clear as I have already indicated to one member. Do not whisper and hope it will not be heard. If members wish to say no, they should get up and bellow it. If the Speaker is hard of hearing, then they should make sure that he or she hears the no, loudly and clearly.

The hon. member for Calgary West has the floor for another two minutes.

Mr. Harper (Calgary West): Mr. Speaker, I will be brief.

I thought I heard the member for St. John's West say no. I also thought that senior members of the Liberal Party had really discouraged that response because the government would want this votable. It has now been clarified and it should be very clear for the record that what has happened is that the hon. member for St. John's West has joined with the Bloc Quebecois in not making it possible for there to be a vote on this issue. That is unfortunate.

• (1415)

I would like to conclude by making some observations from the point of view of Quebec's role.

I notice that the premier of Quebec this week talked about amending article 1 of the program of the Parti Quebecois to talk explicitly about a new partnership with Canada, presumably after Quebec independence. Obviously it is not a secret that Canadians outside Quebec overwhelmingly want their country to stay together. They value a great deal the partnership which exists today among the 10 provinces.

If the premier of Quebec is sincere in his desire for partnership, even from his own sovereigntist perspective, he has a perfect opportunity to chart a new course on this issue, to look at the

injustice that has been done and to send very different signals to all the people of Canada, including the people of Newfoundland and Labrador, about what the partnership would entail.

We have a partnership today. I do not think in the future that Canadians outside Quebec would be interested in a partnership with a province that wanted to have blockades, land blockades, sea blockades or otherwise. Unfortunately, that is what has been behind the particular arrangement which has existed between Quebec and Newfoundland. It is extremely unfortunate.

I would urge the premier of Quebec, who obviously has a somewhat different strategy now—and I do not think we know what his long term strategy really is—to take a look at the contract and Quebec's relationship with Newfoundland to see if we can arrive at a much more just situation. My suspicion is when we have a vote on this issue that the federal government will not be willing to do its share to reconcile this particular problem.

[*Translation*]

Mr. René Canuel (Matapédia—Matane, BQ): Mr. Speaker, as I said earlier, the Supreme Court has ruled in favour of Hydro-Quebec twice. Furthermore, the federal government did not use its political power to override these court rulings because the contract no longer suited its purpose or because the political balance of power had shifted. A contract is a contract.

No one forced Newfoundland to sign this agreement, which at the time appeared to be beneficial for both parties. Newfoundland benefited from Hydro-Quebec's contribution in terms of both money and expertise. In return, Hydro-Quebec would maintain fixed prices for the electricity generated. We might even add that, had Hydro-Quebec not been involved in this project, Churchill Falls might never have been harnessed.

As I said earlier, this agreement was negotiated for years and years. It is almost insulting to those who signed it. As you know, the then premier of Newfoundland, Mr. Smallwood, was one of the signatories. I do not understand how those people can be accused of acting hastily. On the contrary, they knew exactly what they were doing.

Obviously, there were pros and cons. It was beneficial. It was seen as a good deal. A few years later, we realize that it may be true, that one of the parties may have got the short end of the stick, but the fact is that the contract was signed.

How can my colleague ask the federal government to intervene in an area of exclusive provincial jurisdiction, when these contracts were originally signed by two companies that were both extremely responsible? Why ask the government to intervene? Above all, why—and this is what I find most shocking—are they talking about injustice in this case?

Supply

Mr. Harper (Calgary West): Mr. Speaker, it is as though my colleague owned a house and I bought all the land around it, barring his access to his house unless he gave me 90 per cent of it. It is the same thing.

• (1420)

That sort of action would clearly be illegal and the authorities can defend the rights and freedoms of my colleague. But if the authorities refuse to do so, I can force my colleague to sign a contract. And that is the situation here, the federal government refused to defend the rights of Newfoundland. That is the situation.

If the Bloc Quebecois members want to talk about the contract and the Supreme Court, I will talk about the great Canadian contract we have in the form of the Constitution signed by the provinces when they entered Confederation, including Quebec in 1867. It was through this contract that the Constitution was amended and the Supreme Court decided that it applied to all of Canada.

This contract cannot be changed without respecting the amending formula and the rights of every province in this Confederation. There is no right to separate unilaterally in this contract, despite what the Parti Quebecois and the Bloc Quebecois said at the time of the last referendum. There is no right to separate unilaterally, and that is the contract of this country. My party has been very clear in the debate this week about the fact that the rules of the game must be respected, that the rules of this Confederation must be respected, as with the whole issue of the communiqué to the Canadian Armed Forces. In the future, these contracts must be respected, and it is our intention to pursue this matter in the House.

[*English*]

Mr. John Bryden (Hamilton—Wentworth, Lib.): Mr. Speaker, I listened attentively to the hon. member for Calgary West. I was not at all disturbed with the premise that we should be having this debate because there is a byelection occurring in Labrador. It is quite proper to bring issues from ridings to the floor when a byelection is about to take place. This may be the Reform Party's motive for bringing the motion forward, but in something like this when we are facing a byelection, we should be very honest with the voters and not attempt to raise false hopes.

I say that because I have listened to the debate very carefully. It is very clear that the existing contract is one which has been affirmed by the Supreme Court and cannot be broken. I believe every member on the Liberal side would agree with me that it has been a most inequitable contract and that Newfoundland and Labrador is not getting its fair share in this.

However, the Reform Party is also a party which argues very strongly for provincial rights as opposed to federal power: decentralization and more sovereignty to the provinces. Therefore, we get into a contradiction because even though it is an inequitable contract, I do not think we can ever realistically believe that the current Quebec government or even its predecessors would ever agree to the reopening of the contract at a cost to the province of

Quebec of \$200 million to \$300 million annually if the contract were to be renegotiated in a fair manner.

The motion states that "this House condemn the government for refusing to resolve the injustice of the Churchill Falls hydro contract". If, heaven forbid, the member for Calgary West actually were the leader of a party that had the majority in this House, if the Reform Party ever arrived at that happy state, what would he do to resolve this injustice without actually breaking the contract that exists or without actually applying great federal power on the province? It seems to me he would have great difficulty.

• (1425)

Mr. Harper (Calgary West): Mr. Speaker, obviously there are difficult legal and constitutional issues around this. We all recognize that.

However, when one controls a majority government in the federal Parliament it is amazing what one can do. The member suggests this could be trampling on provincial rights and asks how this could possibly be done. I find this a strange question coming from a member of a government that has successively and successfully intervened in jurisdiction after jurisdiction of provincial authority. It has used its spending power, taxing power or whatever it happens to be at the moment.

Far be it for me to suggest which mechanism would be most appropriate. We do not want to conduct the government in an arbitrary manner the way it has been done. However, to suggest the federal government could not do something about it is quite erroneous.

I congratulate the hon. member for suggesting and for saying explicitly that while he may not agree with this motion he at least recognizes this contract is an injustice and I would presume the situation behind it that brought it about is an injustice. His colleagues have not been prepared to say that today. I have listened to Liberal after Liberal either avoid that issue or state that there is absolutely nothing wrong with this situation, including members from Atlantic Canada. It is good that somebody on that side recognizes this is not proper.

Mr. Andy Mitchell (Parry Sound—Muskoka, Lib.): Mr. Speaker, I am glad to have an opportunity to ask a question of my colleague.

In the beginning of his speech he talked about the economic issues. We have talked a lot about that today. It has to do with whether there is a role for government to intervene, a role for government to work in partnership with the private sector, a role for government to work with regions to ensure we level out the playing field. We must establish if it is appropriate to use federal money, our financial resources, to help areas like Labrador and Newfoundland.

The party opposite is absolutely correct that the private sector must be the primary engine. However, there is a role for government. I believe our government's policies are appropriate and need to be implemented in order to help that area. The hon. member's party's position and what he is suggesting is that we totally withdraw, that we simply leave it on its own even though it is a disadvantaged area.

I defer to the member on another point. I was able to check my notes and the figure I should have used was \$15 billion, not \$20 billion.

Mr. Harper (Calgary West): Mr. Speaker, of course there is a role for government, as I and my colleagues have stated. That is why we are here. There is a role for government to lay the groundwork for the kind of economy that provides growth and opportunity for people, which is what it should be doing. It should be concentrating on those things it can do for the people of Labrador to exploit their opportunities and have real economic growth.

If the hon. member thinks the historic policies of the Liberal Party have genuinely levelled the playing field in Labrador or Atlantic Canada or some of our northern regions and made those places areas of hope, growth and opportunity, he is sadly mistaken about the economy of those regions and about the economic record of the Liberal Party.

The Deputy Speaker: It being 2.30 p.m. it is my duty to interrupt the proceedings. Pursuant to the unanimous consent the Speaker heard earlier this day I will now put the question.

Supply

[*Translation*]

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

Some hon. members: Agreed.

Some hon. members: No.

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

Some hon. members: Yea.

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

Some hon. members: Nay.

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

And more that five members having risen:

[*English*]

The Deputy Speaker: Pursuant to Standing Order 45, the recorded division stands deferred until Monday, March 18.

The House stands adjourned until Monday next at 11 a.m.

(The House adjourned at 2.31 p.m.)

CONTENTS

Friday, March 15, 1996

GOVERNMENT ORDERS			
Supply		Mr. Young	761
Allotted Day—Churchill Falls Hydro Contract		Mr. Duceppe	761
Mr. Strahl	749	Mr. Young	761
Mr. Ménard	752	Post-secondary Education	
Mr. Richardson	752	Mr. Dubé	762
Mrs. Payne	753	Mr. Young	762
Mr. Mayfield	755	Mr. Dubé	762
Mr. Canuel	755	Mr. Young	762
STATEMENTS BY MEMBERS		Canadian Armed Forces	
Aquaculture Industry		Mr. Ringma	763
Mrs. Brushett	757	Mr. Collenette	763
Employment		Mr. Ringma	763
Mr. White (Fraser Valley West)	757	Mr. Collenette	763
CESO International Services		Mr. Ringma	763
Mr. Perić	757	Mr. Collenette	763
What Canada Means to Me		Unemployment Insurance Reform	
Mr. McCormick	757	Mr. Crête	763
Economic Development		Mr. Young	764
Mr. Leroux (Richmond—Wolfe)	758	Mr. Crête	764
Stratford Festival		Mr. Young	764
Mr. Richardson	758	Immigration	
Sydney Tar Ponds		Ms. Meredith	764
Mr. White (Fraser Valley West)	758	Ms. Minna	764
National Unity		Ms. Meredith	764
Mr. Adams	758	Mr. Gray	764
CESO International Services		Unemployment Insurance	
Mr. Jackson	759	Mrs. Dalphond—Guiral	765
Hull Casino		Mr. Young	765
Mr. Bélanger	759	Day Care	
Decentralization of Power		Mrs. Dalphond—Guiral	765
Mr. Bellehumeur	759	Mr. Young	765
Athabasca River		Byelections	
Mr. Chatters	759	Mr. Strahl	765
Terrorism		Mrs. Stewart (Northumberland)	766
Mr. Maloney	760	Mr. Strahl	766
Leader of the Official Opposition		Indian Affairs	
Mr. Harb	760	Mr. Dumas	766
Canadian Cultural Institutions		Mr. Irwin	766
Mrs. Dalphond—Guiral	760	Mr. Dumas	766
The Debt		Mr. Irwin	766
Mr. Strahl	760	Terrorism	
ORAL QUESTION PERIOD		Mr. Harb	767
Unemployment Insurance Reform		Mrs. Stewart (Northumberland)	767
Mr. Duceppe	760	Cornwallis Park Development Agency	
Mr. Young	761	Mr. White (Fraser Valley West)	767
Mr. Duceppe	761	Mr. Gray	767
		Mr. White (Fraser Valley West)	767
		Mr. Gray	767
		Indian Affairs	
		Mrs. Debien	768
		Mr. Irwin	768
		Krever Commission	
		Mr. Hill (MacLeod)	768
		Mr. Dingwall	768

Child Care	
Mr. Maloney	768
Mrs. Stewart (Brant)	768
Points of Order	
Visitors in Gallery	
Mr. Milliken	768

ROUTINE PROCEEDINGS

Government Response to Petitions	
Mr. Pagtakhan	768
Committees of the House	
Procedure and House Affairs	
Mr. Boudria	769
Mr. Ringma	769
Radioactive Waste Importation Act	
Bill C-236. Motions for introduction and first reading deemed adopted	769
Mr. Strahl	769
Immigration Enforcement Improvement Act	
Bill C-237. Motions for introduction and first reading deemed adopted	769
Mr. Perić	769
(Motion deemed agreed to and bill, read the second time, deemed considered and referred to committee)	769
Committees of the House	
Procedure and House Affairs	
Motion for concurrence in eighth report	770
Mr. Boudria	770
(Motion agreed to.)	770

Petitions	
Human Rights	
Mr. Harper (Simcoe Centre)	770
Age of Consent	
Mr. Harper (Simcoe Centre)	770
Questions on the Order Paper	
Mr. Zed	770

GOVERNMENT ORDERS

Supply	
Allotted Day—Churchill Falls Hydro Contract	
Mr. Bryden	770
Mr. Mayfield	770
Mr. Mayfield	771
Mr. Laurin	773
Mr. Bryden	774
Mr. Pomerleau	774
Mr. Dingwall	775
Mr. Strahl	777
Mr. Hill (Macleod)	778
Mrs. Payne	780
Mr. Canuel	780
Mr. Mitchell	780
Mr. Mayfield	782
Mr. Canuel	782
Mr. Grubel	782
Mr. Harper (Calgary West)	783
Mr. Boudria	786
Mr. Strahl	786
Mr. Canuel	787
Mr. Bryden	788
Mr. Mitchell	788
Division on motion deferred	789

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