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Thursday, February 10, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Thursday, February 10, 1994

The House met at 10 a.m.

(1005)

Prayers

[*English*]

PRIVILEGE

OKANAGAN CENTRE CONSTITUENCY ASSOCIATION

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I gave Your Honour a notice of question of privilege with respect to certain statements in the constituency newsletter of the member for Okanagan Centre.

However I note the hon. member in question is not in the House at this time, so I will defer raising the question of privilege on that very serious matter at this point and will pursue it at three o'clock, at which time hopefully the member will be present.

The Speaker: The member is totally within his rights. If he wishes to raise this later this day it will be so taken by the Chair.

ROUTINE PROCEEDINGS

[*English*]

EXCISE ACT

Hon. David Anderson (Minister of National Revenue) moved for leave to introduce Bill C-11, an act to amend the Excise Act, the Customs Act and the Tobacco Sales to Young Persons Act.

He said: Mr. Speaker, this is first reading of the bill and I will defer my comments until later.

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

PETITIONS

JUSTICE

Mr. Ronald J. Duhamel (St. Boniface): Mr. Speaker, I have a petition here in which these electors are asking that the government examine the bail provisions currently in existence. As well they want the government to study the situation of parolees from serious crimes. Finally, they want an in-depth examination of youth violence.

They understand that the government has already undertaken these initiatives. They want it to speed them up because they feel there are deficiencies in the criminal justice system and there is insufficient protection for certain groups of people, particularly women, children and disabled persons.

OFFICIAL LANGUAGES

Mr. Randy White (Fraser Valley West): Mr. Speaker, I rise in the House today to present a petition on behalf of constituents in my riding of Fraser Valley West who feel that the Government of Canada should hold a referendum binding upon Parliament on the subject of official bilingualism. They ask for a national referendum involving all electors in the provinces and territories.

Pursuant to Standing Order 36, the document has been certified correct as to form and content. I present this petition to Parliament for its due consideration.

Mr. Walt Lastewka (St. Catharines): Mr. Speaker, pursuant to Standing Order 36, it is my duty to present a petition on behalf of my constituents, although in some cases it does not reflect the opinion of this member.

I present this petition to the House dated November 1993 on behalf of 37 constituents concerning a review of legislation providing for two official languages in Canada.

* * *

QUESTIONS ON THE ORDER PAPER

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

The Speaker: Shall all questions stand?

Some hon. members: Agreed.

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GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY — GOVERNMENT SPENDING

Mr. Paul Crête (Kamouraska—Rivière-du-Loup) moved:

That this House urge the Government to strike a Special Committee of the House, composed of representatives of all the official parties, with a mandate to examine public expenditures by the federal government, in light of the Report of the Auditor General of Canada, concerning overlap between federal and provincial government programs and in accordance with the following guidelines:

- (1) the Committee's deliberations would be an open and transparent process allowing for the public examination of official matters;
- (2) the Committee would have the power to subpoena any witnesses whose testimony would be considered helpful;
- (3) the Committee would be required to report to the House by June 23, 1994;

and that this House urge the government to promise to provide an official reaction to this Committee's Report by tabling in the House its response to the recommendations on the first sitting day after September 1, 1994.

The Speaker: The hon. member for Laurier—Sainte-Marie on a point of order.

Mr. Duceppe: Mr. Speaker, in accordance with Standing Order 43(2), I wish to bring to your attention that the Official Opposition members will share their time and make ten-minute speeches followed by five-minute periods for comments.

Mr. Crête: Mr. Speaker, the Official Opposition is using the first business day of which it is controlling the agenda to deal with the issue of federal government expenditures. In doing so, we are responding to an expectation that was repeatedly expressed by the people during the election campaign. The urgency of the situation speaks for itself. The deficit is reaching a record high and is out of control to such an extent that, as a percentage of the gross national product, it is 63 per cent higher in Canada than the average in the G-7 countries.

(1010)

Half of this deficit is due to structural problems. Canada's structural problems are legion and most of them are related to the very structure of our federalism. For instance, interference of the federal government in the areas of provincial jurisdiction as well as a loose definition of the jurisdictions of each of those levels of government lead to numerous duplications, a waste of energy and conflicting policies. Other structural problems simply reflect bad government management or policies.

For instance, Canada invests very little in research and development which is a major sector if we are going to try and meet the challenges of foreign competition. Furthermore, at the international level, Canada has a poor record on public debt management. In fact, since 1989, government expenditures in Canada have increased more rapidly than those of all G-7 countries.

According to the review of The Report of the Auditor General of Canada made by Mr. Yves Séguin, bad public expenditures management has resulted in a \$5 billion loss each year for the past three years.

Add to that the cost of overlappings. Sixty-seven per cent of the federal programs overlap provincial programs to a certain extent. They account for 65 per cent of all government expenditures, besides payments made for the public debt and unemployment insurance. For example, if Quebec took over the present federal programs and offered the same services, the savings would amount to \$233 million for transportation and communication, \$289 million for expenses related to collection of custom duties, income taxes and other taxes, and \$250 million in salaries, all that for one year and for Quebec alone.

It can be reasonably estimated that just by eliminating duplication of services we would save two to three billion dollars. These figures are the financial result of duplications in the services provided by both governments, plus the increased need for co-ordination created by the claims of each government. The overlaps reduce the efficiency of government measures due to the competitive, if not conflicting, nature of federal-provincial relations. Witness the flag wars that have been waged by the two sides for the last 20 years.

In June 1988, Quebec and Ottawa signed an agreement on regional economic development which was to result in an investment of \$820 million over five years, divided as follows: Ottawa, \$440 million, and Quebec, \$380 million. Now, believe it or not, it took a little over two years for Ottawa and Quebec to agree on the programs and on their respective roles. Five years after this agreement was signed, the two governments had spent only \$281 million, that is to say a mere 34 per cent of the \$820 million agreed to. This is a far cry from what was expected as the result of this allocation of funds.

The overlapping of services also increases the burden on individuals and companies seeking access to the programs and services offered. A lot of energy is wasted just to find one's way through this regulatory and administrative maze. I think that since we have been elected, everybody realized that, because it took us a few months just to learn to know all the existing programs. As I said, we are wasting a lot of energy just to make our way through this administrative maze.

When a firm wants to make a plan for the development of its human resources, for example, it has to convince both the

professional employees from the federal government and the people from the Société québécoise de la main-d'oeuvre in order for its employee placement plan or employment assistance committees to be implemented. Small businesses often have to pass on to consumers the costs of the redundant representations they make to both governments. Without realizing it, consumers end up paying for the cost of federalism through an intermediary.

(1015)

Keeping up with programs and services is in itself an important additional cost for individual businesses. Furthermore, the few sessions held by the industry committee allowed me to realize that it was a problem felt throughout Canada.

An ENAP study found that out of a sample of 221 federal programs and 244 Quebec programs, 197 overlapped to various degrees and were seriously jeopardizing the efforts to enhance the management of government policies.

For example, the following sectors, among the most depressed in the Canadian economy, accounted for more than 75 per cent of all the program overlaps between the federal government and the Quebec government: fisheries, housing, education, secondary industries, financial markets, territorial management, labour and employment, and of course regional development.

These overlappings also reduce the control citizens have on their government. As a result of this competition between governments, no government alone has the ability to carry out projects that have been undertaken, while allowing each government to throw the ball back into the other's court.

Citizens do not directly pay for the programs available to them and cannot avoid paying for a program which they feel is less satisfactory. What is ultimately questioned is the principle that a person who pays taxes has the right to be represented. Under the Canadian system, taxes paid to one government are often spent by another government, whose criteria do not necessarily coincide with the other's criteria. This may explain the lack of confidence voters have shown in the Canadian electoral system and their elected representatives.

Competition between governments seldom improves the quality of the services they offer, because governments do not operate in the same way as the private sector. The constraints are not the same.

The government's other objective is to deal with the poor management practices observed and criticized annually by the Auditor General of Canada. Horror stories aside, we should pay particular attention to the substantive recommendations made by the Auditor General. To ensure that the situation is corrected, we suggest a careful follow-up of these recommendations in order to return control over the budgetary process to Parliament. Members can then be heard before decisions are finalized and can influence those decisions, with the help of adequate in-

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formation on the use of public funds by departments and Crown corporations.

This year again, the Auditor General's report criticized departments for their lack of emphasis on program evaluation. In 1991-92, expenditures for 16 programs totalled \$124.5 billion, and only two of these programs were given a thorough evaluation.

We cannot tolerate taxpayers' money being spent without an evaluation of the efficiency and effectiveness of the activities involved. It is necessary to do the right thing and to do it right. One must be able to evaluate what is being done. On the basis of the information for 1991-92, the Auditor General observed that over a seven-year period, only 18 per cent of the programs had been evaluated.

Considering the urgency and seriousness of the situation, the Bloc Québécois is asking the government to strike a multiparty committee of the House of Commons with a mandate to examine all the government's operating budgets. The government must guarantee this review of government spending will be an open and transparent process.

To ensure that the instruments required to provide for sound management of public spending are put in place, the government should undertake to react officially and promptly to the committee's recommendations.

There are many avenues to explore, but for this exercise to be successful, parliamentarians must lead the way. Ministers, members, senior officials and all other players in the administrative apparatus must realize there is an urgent need for a change in attitude, from "it does not matter, the government is paying" to "this is everybody's money and I must ensure it is used effectively".

By carefully examining operating budgets, we should be able to eliminate a number of obsolete programs that have continued to exist by sheer force of habit.

(1020)

The most striking example is military expenditures. We approved the cancellation of the helicopter contract, but we believe the government is engaging in the same kind of non-productive expenditures by not transferring the high-technology jobs involved into a really comprehensive project and by letting them go instead, thereby increasing unemployment insurance costs.

We think it would be possible to reduce defence expenditures by 25 per cent, that is an amount of \$3 billion.

Another example we should look at is the natural tendency to self-justification within the bureaucratic machine. The first thing that comes to mind is the considerable amount of energy and resources spent for the preparation of perfect forms and detailed instructions, even before anyone knows who the users will be. Please let us not put the blame on those who already

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have trouble enough surviving the financial crisis; they are only the victims.

On that point, tax expert Yves Séguin said that the fat in social programs was much leaner than the fat on the other side; that there were more savings to be made by curbing waste than by cutting social programs because, except in cases of gross abuse, these are not overly generous in the first place.

Why is the Bloc Québécois putting so much energy in this fight against waste if it wants Quebec to redefine its relationship with Canada? Simply because it is the wish of everybody in this country and particularly of taxpayers who pay their income tax regularly and keep the system going. But also because Canada and Quebec cannot look ahead to any kind of future if they do not succeed in curbing that monster the federal system helped create.

[English]

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I congratulate the hon. member on his topic for today. However I would like to remind him as well that we all have great concern and have campaigned on the elimination of waste to save Canada for us all.

It was this government that campaigned on the elimination of the helicopter project. I wonder if the member's remarks are geared to the government of today or the government of yesterday.

[Translation]

Mr. Crête: Mr. Speaker, in reply, I will say that the elimination of waste was part of our platform too. Where we differ is in the sources of such waste, as was demonstrated by the way Quebecers voted. A federalist party is of course bent on trying to improve the system to make it better.

In Quebec, we have reached the conclusion that the solution was no longer to improve the system but rather to significantly alter it. In Quebec, we have lived the overlapping problem in a very different manner, because of our specific characteristics. This aspect was never dealt with in a realistic or concrete manner in this House, leaving the problem unsolved. We believe that it is because there has never been in this House members whose sole interests were those of Quebec; often, people were held back by their federalist vision, and their commitment to federalist principles.

As far as the helicopters are concerned, as we said all along during the election campaign, we were ready to cancel the contract, but, contrary to the Liberals, we wanted to avoid the loss of research and development funding, and the elimination of the high tech jobs it was providing. What was needed then was new projects to utilise this highly skilled labour force. During

the weeks immediately following the election, we suggested a high speed train project. In my view, to have highly skilled and well trained people on unemployment insurance is not a sound investment for the long term. We have to put them back to work as soon as possible.

I might add that the infrastructure program, for example, will meet certain needs in that area and create jobs for a certain kind of workers. But for those to whom that really matters, who make good wages and who put money back into the economy and into the area where they live, the vision of members on this side is more forward looking than that of the government, regarding the proposed course of action.

(1025)

[English]

Hon. Warren Allmand (Notre-Dame-de-Grâce): Mr. Speaker, in the hon. member's motion he suggests that the government strike a special committee of the House to examine public expenditures in light of the report of the Auditor General. He goes on to say that the deliberations should be open and transparent and that the committee should have the power to subpoena any witness.

Is not the hon. member aware that we already have and have had for many years the Standing Committee on Public Accounts which does that very thing? As a matter of fact that committee is chaired by an opposition member to assure that the examinations carried out are thorough and far reaching and to do all the things already in his motion.

If I understand correctly the hon. member is concerned with overlapping. It seems to me if the government set up this committee we would have much more overlapping and duplication than we already have. I do not really understand what this committee would be doing that the public accounts committee under an opposition chairman is not already doing or will do.

[Translation]

Mr. Crête: Mr. Speaker, I appreciate the hon. member's remarks but what I remember from suggestions made by my constituents during the election campaign is that they would certainly agree to see the House consider that problem in particular. As you said, the committee has been there for a long time but has settled nothing. The present situation is due to that committee's actions.

I think we have an obligation to take concrete action and that would be a way to prove our openness to the electorate. I would be very happy if they could see on television the efforts of members to control expenditures. We can be assured that that would seriously change the way people see politicians, at least in my own riding and I believe that would serve the interests of the whole country.

As far as overlap is concerned, by the way the committee has been presented to us, I do not believe its purpose is to duplicate the other one. We would be ready to give this committee the main role and we hope that the government would do the same and recognize the importance of controlling expenditures, in order to regain room to manoeuvre and revitalize the economy.

Mr. Nic Leblanc (Longueuil): Mr. Speaker, during the last campaign, the Bloc Québécois said that, considering the circumstances and the massive debt, it would make sure that the new government struck a special committee responsible for the review of the federal government's public expenditures.

In the motion, we added "in light of the report of the Auditor General of Canada". There is also a mention of the overlap between federal and provincial government programs. Definitely, there are a lot of questions to be asked if we are to cut expenditures equitably and efficiently, in order to come up eventually with a balanced budget.

We all know that each time the federal government goes into debt, it is forcing Quebec into debt also. Quebecers are really concerned about the way the federal government is spending. We are aware of the fact that we are getting poorer and poorer since our debt keeps on growing.

If Quebec ever gains sovereignty, which I truly hope will happen, we will have to take over our share of that debt. That is why we are anxious to see the federal government lower its expenditures, so as not to keep on growing poorer every day. Canada's debt now exceeds \$500 billion. If we divide this amount by the number of Canadian citizens, we come up with a frightening figure, but when we divide it by the number of families, the figure is even more alarming.

(1030)

Once again, for these reasons we need to sit down and take a serious look at the situation and come up with real answers to this terrible debt problem.

During the 1970s we listened to Mr. Trudeau tell us that we could afford to borrow. These years were considered to be somewhat less prosperous ones. We were told that once the country grew more quickly, once economic growth was stronger, then we could pay the money back.

Not only did we take out loans, we also incurred long-term debts which we are still reimbursing. How are we supposed to reduce an annual deficit when we have 30-year commitments? The federal government has incurred all sorts of 30-year debts.

Mr. Trudeau and his government made a blatant error at the time as far as long-term obligations were concerned, one that has proven extremely difficult to correct today.

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Throughout these years, from 1970 to 1992 or 1993, we always heard that Canada was a wealthy country and that it ranked first among all industrialized countries in terms of its standard of living. During the referendum, we also heard that Canada ranked first among the industrialized nations of the world. However we would be deluding ourselves if we believed this.

I will give you an example that I have often used to illustrate this point. Take a 20-year old who owns his own house free and clear. The home is valued at \$200 billion. He also owns a car free and clear. Year after year for a period of 20 years, this person has had to take out a mortgage on his house to survive.

Twenty years later, in 1993, his house is mortgaged at 95 per cent, because that is the maximum amount he can borrow. He has a loan for the full value of his automobile because it is rented, and he has reached the spending limit on his credit cards. All the while, he has maintained the same standard of living. That person is inclined to say: My standard of living is very good and I have maintained it for the past 20 years. However that person is in debt up to his neck and is on the verge of tumbling into the dark hole of poverty.

This example describes exactly what is happening in Canada today. This is the situation in which we find ourselves. We say we are wealthy, but it is only artificial wealth. We have lived on credit for the past 20 years. That is the legacy left to us by the Liberals and we are still being taken in today.

In 1984, I was elected along with the Conservative government and I said exactly the same thing to my constituents at the time.

(1035)

In 1984, economic growth was good, around three per cent. In our caucuses we would say: "We must cut expenses. This is insane; the public debt is close to \$180 billion". Ministers agreed that cuts had to be made, as long as their department was not affected. So, we kept spending more and more.

In 1985, 1986 and 1987, when economic growth was quite good, we could have cut expenses even at the cost of creating a little unemployment. When cuts are made, the government pumps less money into the economy and this results in slower growth. With a 3 or 4 per cent growth at the time, we could have sacrificed one per cent by cutting spending. But we did not. Why not? Because we did not have the kind of all-party independent committee that we are proposing this morning.

We propose that an independent committee, a committee with no political ties or partisanship, be set up. It is imperative that such a committee, made up of representatives of all official parties, be struck to make recommendations so that the government can act without fearing blame, since it would automati-

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cally have the support of the three or four parties. That is the great advantage of our proposal.

That is why it is so important. If you are the least bit familiar with how things work in politics, how politicians react, you know that there comes a time when we must set our political interests aside and take steps to help the government act without being criticized.

Basically, what we are proposing today is a way to provide support to the government so that it can make some headway and bring the debt down. We must all set partisanship aside and deal immediately with this monstrous debt that is bankrupting this country.

Mr. Raymond Lavigne (Verdun—Saint-Paul): Mr. Speaker, I find it rather ironic that the hon. member for Longueuil, who sat for years with the Conservatives who increased the debt by \$340 billion, is now advocating, after all his years in Parliament, the creation of a special commission or committee to review spending, when there already is such a committee.

The party opposite favours eliminating overlap and repatriating all powers to Quebec, so I find it ironic that they are advocating the creation of a special committee to review Canadian government finances and support this government. Yet, we are giving our support to the governments of Quebec and of the other provinces.

I find it difficult to understand how the hon. member for Longueuil can defend the committee he wants to set up to study government expenditures when these expenditures were not made by us. We already have a committee. If, in four years, the hon. member for Longueuil wants to create a special committee to study government spending because of extra or excessive expenditures, we will then be able to establish a special committee. But I do not see how we can set up this committee to review government spending when our government is not even responsible for all this spending.

I would ask the hon. member for Longueuil to tell me what this special committee could do that the existing committee cannot?

(1040)

Mr. Leblanc (Longueuil): Mr. Speaker, I see, thanks to the Liberal member, that the government's intent is not to cut spending. Indeed, we heard the finance minister say earlier this week that he would probably increase corporate and other taxes when we know very well that Canadians and Quebecers are already overtaxed.

I find such statements from the government quite troubling and I am pessimistic and concerned as it is well known that we are in debt up to our necks, and I am unhappy to see that my children will probably have trouble keeping their heads above water in the coming years. This government is taking things far too lightly.

We are proposing a common review to give this government some political freedom of expression and allow it to take concrete action with the support of the Official Opposition. That is why we are proposing today the creation of a special committee. We are not talking about the existing standing committee but about a special committee with a mandate to turn around the country's economic situation. I wonder why the party in office, the government, is against us giving it a hand.

The hon. member was talking about my political experience. Indeed, I have been sitting in this House for nine years and, during these nine years, I have learned that government decisions are often made for electoral reasons, to win or rather not to lose votes. The government always makes short-term decisions in order to stay in power; it is a power play. What we are now proposing is this: We will give you a hand to help you make an apolitical decision. It is something new.

We in the Bloc Québécois do not want to come to power here in Ottawa. So take advantage of this situation! We are not the usual opposition, like the Liberals were under the Conservative government I was a member of. So take advantage of the fact that we are neutral because we do not want to come to power here in Ottawa, far from it. We want to give you a hand and help Canada to reduce its debt, because every time Canada increases its debt it also increases Quebec's and we do not like it.

[English]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure): Mr. Speaker, I rise to address the House on issues arising from the Auditor General's report and to respond to comments made by hon. members opposite on Mr. Desautels' report highlighting many of the significant matters that require our attention. Of course these are matters that are relevant to the last Parliament and the last government. They require immediate attention by all of us to ensure the most efficient and effective use of the taxpayers' dollar.

I am pleased that we have already acted on a number of the points raised by the Auditor General. We have opened up the budget process. We cancelled a flawed airport deal relevant to Pearson International Airport; we put the airbus up for sale; we tightened up the regulations on the use of government aircraft; we have streamlined the decision making process of cabinet; and we restructured departments to make sure they can work together more effectively.

The new decision making structure of cabinet consists of full cabinet and only four cabinet committees: economic development policy, social development policy, Treasury Board and a special committee of council. This is in marked contrast to the very expensive, cumbersome structure that existed previously with 11 cabinet committees in operation.

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Moreover, we have reduced the privileges of members of Parliament in terms of the costs we can save there. We have cut the political staff of ministers; we have reduced the budgets for ministers by some \$10 million a year. As will be heard later today from my colleague the minister responsible for federal-provincial relations we are moving in the areas of cutting the waste, the duplication and the overlap between the federal and provincial governments. This is a strong start but more has to be done to address the issues raised by the Auditor General.

(1045)

At this point I would like to acknowledge the contribution Mr. Desautels and his staff have made to a better understanding of many of the important and complex issues faced by government. Many of his concerns parallel our own. When we met to discuss his report I learned that we shared a belief in the importance of improving information to Parliament and in reviewing existing programs and policies to ensure they continue to meet the needs of Canadians.

The Auditor General has outlined his view that parliamentarians need to be more involved in the budget process. That has been raised here this morning. We agree and my colleague the hon. Minister of Finance has been making great strides in opening the budget process through various pre-budget consultations in the cities of Halifax, Montreal, Toronto and Calgary. He has met hundreds of Canadians and has heard directly from them what they feel must be done to turn the economy around, to create jobs and restore the faith of Canadians in the future. In many of the debates we have had in this House hon. members have had the opportunity to address issues relevant to the upcoming budget.

I remind hon. members that we believe the efforts to bring the federal debt and deficit under control are most important and are going to be addressed in the budget of the Minister of Finance. It is important that we bring them under control, but it is also important that the measures taken are compatible with getting Canadians back to work.

The federal-provincial-municipal infrastructure program is a key to stimulating economic activity. Bearing in mind what hon. members opposite have raised this morning, it is a good example of attempting to cut down on duplication, overlap and competition among the different levels of government. This program is unique in bringing three orders of government together to ensure the most efficient and effective spending of taxpayers' dollars.

As we have said in "Creating Opportunity" and as the Prime Minister has confirmed, we will allow individual members of Parliament more involvement in these consultations. Committees of the House will be given greater influence over government expenditures than previously. This government has

announced that changes will be proposed to the rules of the House of Commons to provide members of Parliament with a greater opportunity to contribute to the development of public policy and to contribute to the development of legislation.

The Official Opposition motion mentions that a special committee be struck to examine public expenditures by the federal government in light of the Auditor General's report. However there already is such a committee. As was raised this morning by the hon. member for Notre-Dame-de-Grâce that is the public accounts committee.

We look forward to working with members of the public accounts committee as they study the Auditor General's report in detail. The public accounts committee is chaired by a member of the Official Opposition. That gives them enormous opportunity to raise these issues and to have them dealt with by the public accounts committee. I look forward to those deliberations.

I do not see the need for creating still another committee. I said a few moments ago that we have streamlined the process of cabinet, going from 11 committees down to 4 committees. We do not see the necessity in adding still further committees.

The committee on public accounts will want to examine how government departments and agencies are responding to the need for improved administration and management. It will want to call senior officials before it and when its work is complete the government will have the benefit of its findings.

The Auditor General has consistently advocated the need for better reporting of financial information for Parliament. This year was no exception in his report. This year Mr. Desautels devoted an entire chapter of his report to his view that better information is required on the deficit and the debt. Once again I am pleased to report the government is acting to address this need.

(1050)

Recently the finance department issued two publications that will help increase understanding of the debt and the deficit. A short booklet entitled "Basic Facts on Federal Spending" will help Canadians better understand the federal government's budgetary spending. It summarizes spending as it is presented in the federal budget and in the public accounts. In addition, a longer background document called "Federal Spending" provides even more detail.

Members will be happy to see that the public accounts recently tabled in the House were accepted without reservation by the Auditor General. The fundamental purpose of the public accounts is to provide information to Parliament and through Parliament to all Canadians. Their purpose is to facilitate understanding of the full nature and extent of the financial affairs and resources for which this government is responsible.

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Last year the Auditor General said that in his view: "The government's financial statements would be more understandable if they were presented in a comprehensive but succinct annual financial report". What Mr. Desautels was calling for was a financial report similar to the annual reports published by corporations in the private sector. We have done just that.

To make the financial statements of the Government of Canada more understandable to the public we have added a new section to the 1993 public accounts. For the first time we have presented a summary of economic developments during the year, a financial review and a set of condensed financial statements. New graphs and charts portray complex financial data in an understandable format for the first time. This clear and concise overview of the state of the government's financial affairs was added at the suggestion of the Auditor General.

Another ongoing concern of his has been the need for more information on the results of government programs. We agree. To have a country that works we need to measure whether specific government programs actually deliver results over time. We recognize the need for strengthened audits, strengthened internal audits, strengthened evaluation. In fact that was a cornerstone of the recommendations in the red book.

This year the Auditor General looked at several aspects of regulations. Regulations can help improve the quality of life of Canadians by setting standards for things which affect their daily lives. Canadians should be able to put their children in car seats knowing they meet certain safety standards. They should know how much fat the ground beef they buy contains. Yet regulations can also place an undue cost or administrative burden on businesses and individuals.

This government is committed to reducing the regulatory burden on Canada's economy. One example of the innovative ways we are finding to do this is the new business impact test which was jointly developed with the Canadian Manufacturers Association. I had the pleasure of unveiling it with that association just a week ago.

This new software package is designed to help governments understand and evaluate the potential impact of proposed regulations on the private sector. It looks at the direct costs of proposed regulations as well as the effect the proposals may have on the way firms operate, organize and innovate. It allows companies to give their views early in the process, as a regulation is being developed. It can even help business and government determine other ways to serve the public interest that may not involve regulation at all. Therefore we are trying to streamline regulations to help Canadian businesses compete in this current economy.

In closing, I would like to stress the importance of the contribution of the Auditor General's report. The Auditor General has made an important contribution to the better understanding of the issues faced by governments. At the same time there is no doubt the Auditor General's work is an important stimulus to constructive action.

We look forward to consulting with the Auditor General. We look forward to hearing the deliberations of the public accounts committee, chaired by a member of the Official Opposition. Together we can pursue the goals of restoring the confidence of Canadians in their government and the efficient and effective spending of tax dollars.

(1055)

Mr. Randy White (Fraser Valley West): Mr. Speaker, the committee that is being suggested certainly falls under the terms of reference of the public accounts committee. I too do not see the need for an additional committee in the House for that reason.

The hon. member has suggested some improvements which have already been made with the Auditor General's report. However no mention was made under the aboriginal economic development strategy. I would like his comments on this point.

The throne speech addressed three major programs with the aboriginal affairs department that would be undertaken. I noted in chapter 11 of the Auditor General's report there were significant observations made on previous programs by the previous government. I would not like the hon. member to respond by saying it was the previous government's fault. It is actually the administrative problems within those programs which are of concern to me.

I want to make one reference. For instance, the administration and the government could not demonstrate that after spending at least \$900 million from the beginning of its implementation in 1989 to early 1993 the strategy's objectives were being met.

The essence of the Auditor General's report on aboriginal programs, in particular the aboriginal economic development strategy, is that a lot of money is put into these programs but we really do not know what the outcomes of these programs are. They are poorly co-ordinated. In fact many Canadians think we are throwing out too much money without outcomes.

What is this government going to do when it introduces these new programs as announced in the throne speech? How are we going to have outcomes to these programs unlike the problem the Auditor General came up with in a previous report?

Mr. Eggleton: Mr. Speaker, I thank the hon. member for the question. It does relate to something of considerable importance to me and the government. That is to understand what the

outcomes are of our programs and what we have gained for the taxpayers' dollar that has been spent and what the results are.

Internal audit and evaluation processes become a very key part of trying to determine that. A greater emphasis has to be placed on that than has been done in the past. That is certainly the case on the infrastructure program for which I have some immediate responsibility for implementing. That is one of the areas where I have made it quite clear we have to be able to get a handle on it so we will understand what those outcomes are. I think my colleagues share that.

Whether it is in native affairs, native economic development strategies or whatever other area, we will attempt to apply that general principle of getting an understanding of the outcomes and providing the appropriate internal audit and evaluation processes to do that.

[Translation]

Mr. Philippe Paré (Louis-Hébert): Mr. Speaker, I am almost amused by what the previous speaker said. One would think that he is a Conservative defending the Conservatives' record. Basically, he is defending the status quo, when it has been proven that the status quo does not work. They tell us about the Public Accounts Committee. The proof that it does not work is the situation we are in.

How can one claim that this committee, which does indeed exist, will be effective, when it was not effective in the past?

Furthermore, according to the Auditor General of Canada, only 18 per cent of programs are evaluated, as the hon. member for Rivière-du-Loup reminded us just now. So how can you defend the status quo if you do not even take the trouble to evaluate what is being done?

I have the impression that the Auditor General's report and role may have more to do with discovering mismanagement and horrors and not so much to do with the effectiveness of programs; the proof is that they are not evaluated.

I am very surprised and I would like the previous speaker to explain to me why, at the very beginning of a new mandate and a new government, they are defending the previous government's policies so much.

(1100)

[English]

Mr. Eggleton: Mr. Speaker, I am amused by that because it was exactly the opposite of what my remarks were all about. My remarks were about the changes that are being made. I am certainly not going to stand here and defend what the previous government has done which is now being talked about in the Auditor General's report.

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I find it amazing that they overlook the value of the existing public accounts committee as a means of dealing with a great many of these issues. Hon. members opposite get the opportunity to chair that committee. That gives them a much greater opportunity than perhaps many other committees. They talk today about cutting down and overlapping, yet they want to establish another committee that is clearly going to overlap what an existing committee is already empowered to do.

Let us stop wasting our time and the taxpayers' money by setting up alternative overlapping committees when one exists, one they have an opportunity to chair.

[Translation]

Mr. Nic Leblanc (Longueuil): Mr. Speaker, I do not understand why the President of the Treasury Board is refusing to set up a special committee. This would not be the first time we have special committees. We have had them for finance and in various other areas.

We know very well that the President of the Treasury Board does not manage the treasury, because there is no more money in it; rather, he manages the debt and the deficit. He should be a little more serious and accept the support we are offering. We want a neutral position to be taken so that the government can make the right decision.

Since I am the critic for Foreign Affairs and I am speaking to the President of the Treasury Board, I would like to know if he intends to consider cutting the spending of our embassies and representatives abroad, but especially of our embassies.

Every time I went abroad, with my friend the member for Beauséjour, who is here, the ambassador always told us: "You know, this embassy did not cost very much. We paid very little for it 20 years ago". I tell him: "Twenty years ago, I too bought a house that is worth \$200,000 today, but I paid \$20,000 for it". They are always trying to justify themselves, because in my opinion and that of many others, our embassies are probably more in keeping with the standards of a country like the United States, France or England, whose population is two, three or ten times as much as ours.

I think that we should seriously consider having embassies more in keeping with our standard of living and our spending power. That is why I ask the President of the Treasury Board the question. It is up to him to do it and I hope that he will do it because we just learned again that we spent \$75 million to build the embassy in China. I think that is huge for a country like Canada. We also spent \$95 million to build the embassy in the United States, in Washington. I think that is huge too.

I do not know if the President of the Treasury Board, who manages a debt rather than a treasury, will be able to stop and think, even if he does not have a committee because he does not

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want one, and will be prepared to cut the spending of our embassies which is much too high, without being given a hand.

[*English*]

Mr. Eggleton: Mr. Speaker, as the hon. member knows cutting government expenditure is under consideration by the Minister of Finance and will be addressed in the budget.

As to some of the past expenditures at various embassies which he is talking about, perhaps that has been referred to in this and previous reports of the Auditor General. I am sure he knows that all too well, since he was a member of the House and a member of the supporting party of the last government when many of these matters were carried out.

(1105)

I must come back to the matter of a new committee. I use the words that hon. members opposite used when they talked about overlapping, when they talked about waste, and when they talked about duplication. That is what they are proposing when speaking of this committee.

It is not required. We have a committee where all these issues that have been talked about can be raised. It is a committee that they chair. Perhaps they are indicating they do not have confidence in one of their members to chair the committee. Maybe somebody else should chair it. It seems to me they have every opportunity without overlap, without duplication, without waste to raise these issues in the public accounts committee.

Mr. John Williams (St. Albert): Mr. Speaker, on behalf of the whip of the Reform Party I would like to advise the House that pursuant to Standing Order 43(2) our speakers on the motion will be dividing their time.

First my congratulations to the Bloc for introducing a motion that deals with trying to come to terms with the problems of money and lack of money in the country. We are \$500 billion in debt. It is nice to see the opposition and the government taking these things seriously.

It reminds me a bit of the parable of the prodigal son who left home and wanted to take a share of his wealth with him. Here we have the Bloc wanting to ensure that the fiscal House of Canada is in order so there is sufficient wealth for them to take with them. I would remind the Bloc that the end of the parable was that he did have to come home, unfortunately without his wealth.

I do not think anybody has spoken louder on managing the government's money than the Reform Party. During the last election we produced a four-page flyer that showed how we were going to reduce the deficit to zero. If anybody was eliminating waste it was the Reform Party because, as I say, it was a four-page flyer. My hon. friends across the aisle with a 120-page red book could only get the deficit down to about 3 per cent of gross domestic product or \$25 billion. When it comes to

the elimination of waste, duplication and extra effort the Reform Party is the party to which one should be looking.

The problem does not lie in the elimination of duplication of government expenditures. The President of the Treasury Board has already said, and other speakers have said so this morning, that we have a public accounts committee that is chaired by a member of the opposition. They have every opportunity to look at the expenditures examined by the Auditor General. He has pointed out that we are losing money here, that we are wasting money there: \$10 billion is being thrown down the drain by this department; \$100 million is not being collected by the Department of National Revenue through loss of taxation on the GST as half a million people have not been filing their returns. These things have been pointed out to us.

The thing to remember is that the deficit is \$43 billion or \$45 billion according to the Minister of Finance. The total spending by the federal government on its administration, on its salaries, on its rent, on its desks, telephones, computers and whatever else it needs to manage the country is only \$17 billion. If we eliminated the entire civil service and everything that goes with it our deficit would still be around \$25 billion.

Therefore if the members of the Bloc Quebecois think they can resolve the waste and deficit problems of the government by narrowly defining the idea they can find enough money in waste and duplication, they only have to look at the numbers and that will tell them that unfortunately they will not find the answer in another committee that looks at the same problem again.

(1110)

In chapter 5 of his report the Auditor General talks about the debt and the deficit and concern about where this country is going. If we want to find out where we are going, it is always best to look at where we have been. He produced some interesting graphs and charts in chapter 5 showing it was in 1975 that our deficit really started to balloon. It was our colleagues on the other side of the House who decided it was time to start spending money on social programs by the billions. It was then they introduced what they called the just society.

I talked about this earlier in the pre-budget debate. At that time I said that if taxpayers had been given the bill to pay for the just society rather than borrowing the money to pay for it, we would have told them we could not afford it and we would not have the problems we have today.

Between 1974 and 1976 spending on programs mushroomed to about 130 per cent of the money collected in tax revenues. By the time we added the interest on the debt being created our spending exceeded 155 per cent of government revenues. That is where the problems started and why we have these problems today. Unfortunately we have to squeeze the social spending we have created in order to be able to afford government in the country. Not only do we have to eliminate the fat from the waste and duplication in services but we have to take a look at how we

spend our money on social programs in order that we can afford to balance our budget.

The Minister of Human Resources Development has decided to strike a committee to look at how we are going to revamp social programs and unemployment insurance. Last year we spent \$19 billion on unemployment insurance. That is almost 50 per cent of the current deficit.

I do not suggest for a moment that we should get rid of unemployment insurance but we have systemic unemployment in this country of around 7 per cent. That is now to be considered full employment; 7 per cent of workers do not have jobs because of the problems with the social programs that say we do not have enough incentives built into them for people to go to work.

Our neighbours to the south have a systemic unemployment rate of about 3 per cent lower than ours. Their cost of unemployment insurance as a percentage of their gross domestic product is significantly lower than ours. That is the way we are going to balance the budget. It is not going to be through trying to save a nickel here or find a dime there by creating another committee to find out how on earth we are going to balance the budget. The answer is not there; the answer lies in social programs.

When we produced our zero in three flyer last fall we said that about \$3 billion to \$4 billion could be saved by providing incentives for people to get back to work. By reducing the unemployment rate, we reduce the cost of unemployment insurance and create additional tax revenues from people who are now working. That is where we are going to find the answers to our problems.

We said last fall that we should talk about eliminating old age security to families that earn more than \$54,000 a year. It would save another \$3 billion. We could save between \$4 billion in UI and \$3 billion on old age security, which comes to \$7 billion. That is 40 per cent of total government expenditures we can save by looking at these two programs without having to go through every nickel and dime and line by line of the entire government expenditures. We identified \$7 billion with these two programs alone.

Last fall when I was knocking on doors and talking to senior citizens in my riding they were concerned about our policy on old age security. For those families which make more than \$54,000 a year, we are going to cut it off. Why should young families which are trying to get ahead have to pay taxes so that the rich can use their old age security to go to places in the sun in the winter? Many of the seniors I talked to said: "I wish we had

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seen \$54,000 in our lives. My goodness, cut that off. By all means cut that off. We support you 100 per cent if we are going to balance the budget". Those are the types of things that my colleagues from the Bloc should be proposing in the motion.

(1115)

The motion they have proposed today is far too narrow. The budget cannot be balanced if we focus on one thing. I know they have their own political agenda that says: "Put the blame on the federal government and that way we do not have to worry about what happens in the province of Quebec".

I am concerned about all of Canada not just the province of Alberta. I am concerned about Canadians who live in the province of Quebec. Everybody who lives in the province of Quebec as far as I am concerned is a Canadian and participates fully in this great nation of ours.

As I mentioned we laid out a full program on how to balance a budget last fall. We did it as volunteers. We did it as Canadians who wanted to make a contribution to the country. That is where we should be looking to resolve our problems rather than this narrowly defined motion as proposed.

Mr. Peter Adams (Peterborough): Mr. Speaker, I was interested at the beginning of the member's presentation to learn that the Reform Party has a whip. It seems to me that it is something they would not have in their type of organization. Looking at the attendance it seems to me that he or she needs some practice.

The motion before us today actually deals with confederation and we have heard a good deal of criticism—

Mr. Hill (Macleod): Mr. Speaker, I rise on a point of order. I believe it is inappropriate to make any comment about attendance in the House.

The Acting Speaker (Mr. Kilger): The hon. member makes a very valid point. Hon. members should not take issue with the absence of any member of any party from the House.

Mr. Adams: Mr. Speaker, I make my apologies to you and to members present.

The motion today deals with confederation and we have heard a good deal of criticism about that form of government. Confederation it seems to me is a form of government which has developed particularly in North America, here and in the United States, as a very effective and powerful way of dealing with large and diverse countries. Overall, and I think members opposite will agree with this point, the method has been very effective in North America. We have produced two nations that have been among the most productive, however you define

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productive, economically or in some other terms, socially for example, that have ever existed on the face of the earth.

In a debate like this, one could tend to forget the strengths of confederation. If I could give one example, one strength of the confederate approach to government is the fact that a process of trial and error can go on in different parts of the confederation and that process is a very creative and, I would suggest in the light of the comments this morning, also a very economical way of testing new ideas. Sometimes those ideas will work and they can be taken on by the confederation or sometimes they will not work and we will have saved the expense of a trial which would have failed across the nation as a whole.

A famous example is medicare being developed in Saskatchewan. Their system of medical health support was developed, it was tried, a substantial trial and error process, and then we were able to spread it to the rest of the country.

Another example is the work that is going on in New Brunswick in the area of our social support systems which were discussed this morning. In New Brunswick as we speak experiments are going on which look as though they will show that there are better ways to deliver the social services which are so important to our nation. In a debate like this the strengths of Confederation must be stressed as well as some of the weaknesses.

(1120)

It seems to me that in a form of government like this there are inevitably overlaps. Some of them for a while are necessary and many of them are unnecessary. To that extent I agree with members opposite.

Wherever there is unnecessary duplication we must eliminate it and, as the President of the Treasury Board said, I hope the government is doing so.

Simply to recite things like fisheries, agriculture or environment and then point to the fact that those things are dealt with by two jurisdictions is not to show unnecessary duplication. It seems to me fisheries would be a good example. The fishery in Quebec would be very different from the fishery in British Columbia. It therefore seems appropriate that people who understand those fisheries deal with them in those regions. But it is equally appropriate that national and international aspects of the fishery be dealt with economically and without unnecessary duplication by a central government.

What has been lacking has been national leadership, proper leadership from this Chamber. The duplication which has arisen has been a result of that, not the result of a weakness in confederation but a weakness of previous governments to address the truly national issues.

Mr. Williams: Mr. Speaker, I think I missed the question in that little discourse but I do agree with the hon. member that there is more than one way to solve a problem.

The way that Confederation has been designed has worked great for Canada for the last 125 years. There is absolutely no reason whatsoever that it cannot continue to make sure that problems, programs, assistance and government overlap from one jurisdiction to another shall remain in the federal jurisdiction.

We see that in fisheries, for example, the flow-over from one province to another. We see it in other areas. The hon. member mentioned agriculture.

We also see other opportunities where governments of different provinces might address the problems of budget deficits and management of their own tax revenues. I believe New Brunswick was mentioned. In my home province of Alberta we have seen the government take a real hard firm stance to address these problems to ensure that it can live within its means. This is an example for us here in the capital to follow and perhaps other provinces that have the same problem.

I think the hon. member has a good point and it should be noted today.

Mr. Garry Breitkreuz (Yorkton—Melville): Mr. Speaker, I would like to speak against the first part of the Bloc's motion and in support of the second part.

Surely the Bloc must see the obvious contradiction in its motion. It is calling for a formation of a special committee of Parliament and proposes to examine the public expenses of the federal government. The second part of the motion focuses on the elimination of duplication between federal and provincial programs.

Does it not see the special committee of Parliament as a duplication of administration? Is this not why we already have a House of Commons Standing Committee on Public Accounts?

If the Bloc is sincere about eliminating duplication and wants the review of the public accounts to be open and transparent to the public then I would suggest that it amend its motion and that the House direct the Standing Committee on Public Accounts to undertake the review of the Auditor General's report and the elimination of duplication between federal and provincial programs. As it stands I cannot support the motion.

My constituents in Yorkton—Melville voted for me because I promised to oppose the waste of taxpayers' money. The way I see it, the special committee proposed by the Bloc and the Standing Committee on Public Accounts would be doing the same job.

When a farmer wants to spray his crop in order to kill weeds he does not first of all buy a spray that will kill thistles, spray his crop for thistles and then buy another spray to kill the wild oats and then buy a spray to kill the mustard, and another spray to kill the chickweed and go over his crop half a dozen times. That

would be foolish. That would be inefficient; it would not work. A farmer who would do that would not be in farming very long. It is no different when it comes to government. We cannot have the same thing being done over and over again. It will not work.

(1125)

I would like to comment on the three themes that are proposed by the Bloc in its motion: first, the need for a review of the Auditor General's report; second, the need for a review of federal-provincial programs with a view to eliminating duplication of effort and saving the taxpayers' money; and, third, the need for an open and transparent process permitting public input and scrutiny of our public accounts.

There is a need to review the Auditor General's report while it is in progress, not to wait until his report is released. When the Auditor General encounters waste, mismanagement or corruption, these matters should be brought before the Standing Committee on Public Accounts immediately. If this were done, we might be able to stop the bleeding before the patient becomes terminally ill.

The Auditor General should have access to any and all public accounts, including cabinet ministers' travel expenses.

The Auditor General should have the authority to make public the decisions and waste that he uncovers in the Board of Internal Economy if he feels it is necessary and in the public's best interest.

I agree with the Bloc Quebecois that there is too much duplication of administration between the federal and provincial governments. For example, there is the duplication between unemployment insurance and social assistance. Both programs provide protection for the unemployed. Many people who exhaust their UI benefits go to welfare. In Saskatchewan almost half of the people on social assistance are considered fully employable. Here we have two programs serving much the same purpose and many of the same clients.

There are two sets of bureaucracies, one in the federal government and one at the provincial level. The duplication continues.

Unemployment insurance collects its own special payroll tax from both workers and employers in the form of the so-called insurance premiums. When the UI account goes into the hole, like it has for the past three years, the taxpayers, mainly workers and employers, are asked to pay again, only this time through income tax and corporate tax.

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Social assistance is paid for on a 50:50 basis by the federal and provincial governments. Again there is only one taxpayer footing the bill.

I do not want to belabour the point. I think anybody with any common sense can see that there is duplication and where there is duplication there is waste of taxpayers' hard earned income.

In my former life I was a school teacher. This reminds me of a time when the school board was trying to provide the same level of service but on a fixed budget. It was running buses along the same road, twice in the morning and twice at night; once to pick up the elementary school children and the second time to pick up the high school students. When that fixed budget could be stretched no more, when the crunch came, it had to come up with new ideas. It found a way to make the run once and to pick up both groups of students.

If there has ever been a budget crisis it is now, and we have to come up with a better and cheaper way of doing things. The programs should be delivered by the level of government which can best provide the service for the best and the lowest possible cost. It has been my experience that the closer the government is to the people, the better the program that can be delivered and the lower the costs.

I have the honour of serving on the Standing Committee on Human Resources Development. I will make sure that the issue of duplication between federal programs administered by the department of human resources and provincial governments are addressed in our review of the social programs. I believe it is the duty of each member on each standing committee to ensure that they do the same. I would, therefore, not recommend the need for a special committee to look into duplication.

I strongly support the Bloc's recommendation for a more open and transparent process permitting public scrutiny.

The more I work in Ottawa the more I realize that the process is a big part of the problem. We found during the referendum on the Charlottetown accord that people want to get directly involved in the decision making process.

(1130)

We also found that Canadians could understand complex issues such as the Constitution. There was a desire among the vast majority to know more and more about issues that affect the future of our children. They correctly analysed the situation, ignored the cries of the so-called elites and made the right decision.

We need to put more trust into the common sense of the common people. Nowhere is this common sense needed more than in the review of public accounts.

While the Minister of Finance is proud of the four conferences he organized as a part of his pre-budget process, I do not know

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of one person from my constituency who was invited to attend or make a submission. So much for an open process.

Any consultative process should be open to all Canadians. Using today's technologies, it is possible for all Canadians to register their votes on issues of public spending and public borrowing.

Annual tax returns could be used by taxpayers to register where and on what programs they want their money spent. We need to put Canadians back in control of government. Once every four or five years we have democracy but in between we are run by decree of the governing party. Ask the people in Markham—Whitchurch—Stouffville if they feel they live in a true democracy.

When families are in a financial crisis and can no longer borrow money to support their standard of living, they sit around the kitchen table and talk about how everyone is going to pull together to make ends meet.

Canada is just like a family. Our government meetings should be held at kitchen tables instead of conference tables. We need to sit around and discuss these things. All three levels of government have their hands in the same taxpayers' pockets and there is less and less room for the taxpayer to get his own money out of his own pocket. There are three levels of government but only one taxpayer. We all have to work together to get out of this financial mess.

In closing, I commend the Bloc for bringing forward this motion and drawing attention to the need for reform. I would like to again register my objection to duplicating the efforts of the Standing Committee on Public Accounts by forming another special committee as proposed in the Bloc's motion.

While I cannot support the first part of its motion, I would be able to support the second part of the motion calling for a review of the Auditor General's report, the elimination of duplication between federal and provincial programs and a call for more public scrutiny of our budgeting and spending processes.

[*Translation*]

Mr. Gérard Asselin (Charlevoix): Mr. Speaker, I would like to comment on the speech just delivered by the Reform member, who objects to the striking of a special committee to examine federal government expenditures. During the last election campaign, his party strongly advocated that the government clean up its act as far as spending is concerned. That is why, I think, they were elected in western Canada with such a majority. When you go hunting, you arm yourself appropriately, just as when you go fishing, you use the right gear. You cannot change equipment, even if you decide to do something else.

The Reform Party campaigned to defend the interest of its electorate, as we did during the campaign, as we always do in the

House, and as the Bloc Québécois will continue to do throughout its mandate. Hence the importance of striking such a committee. The Bloc Québécois said during the last election campaign, and I am very proud of it, that it would defend the interests of Quebecers and, in its capacity as the Official Opposition, the interests of all Canadians, of course, as far as government expenditures are concerned. Today, in Quebec as well as in Canada, there is a feeling of social insecurity, because Canada's debt level is very high, as is the interest on this debt which is in the order of \$110 million per day.

I think there must be, here in Parliament, a committee to study government expenditures, item by item, and also to verify all departmental expenditures, item by item. An hon. member said earlier that such a committee has always existed in Parliament, which brings me to the following question: Did such a committee exist in 1980? Did that committee exist from 1980 to 1993? If it did, either it was ineffective, did not do its job properly, or else did a very good job but was not listened to. The previous governments did not listen to suggestions made by that committee because, from 1980 to 1984, the Liberals were in office and the debt stood at \$30 billion in 1980, whereas by the time the Conservatives took over, it had already climbed to \$187 billion.

(1135)

Similarly, if the committee was in place after 1984 and until 1993, what did the government do with the recommendations of that committee? The \$187 billion debt inherited from the Liberals kept increasing under the Conservatives. What prevented the government from taking appropriate action? Did it follow the recommendations of that committee? Is there any point in having a committee if the government does not follow its recommendations?

I suppose that the committee does a very good job and makes some useful recommendations to reduce expenditures, or at least to flash a yellow light warning ministers and some departments of imminent danger, by telling them that they are about to go over their budget, or to flash a red light telling them that they have indeed used up their budget and must be careful with their spending.

I also want to say that there would be no overlapping in this case because, within the government finance sector there is a Department of Finance as well another department called Revenue Canada. I guess you could call that overlapping. Likewise there is a finance committee, of which I am a member, and there is also a public accounts committee.

The Bloc Québécois motion is to ensure that government expenditures are thoroughly reviewed and that a report is then tabled in the House.

Supply

Earlier we referred briefly to infrastructures. I think that the \$2 billion infrastructure program of the Liberal government is insufficient, since the Federation of Canadian Municipalities suggested a \$15 billion investment.

My question is: Is it the politicians who spend too much, not knowing where they are headed, or is it the civil servants who mismanage programs?

I will conclude by saying to the Reform Party that the situation is much worse than that.

The Acting Speaker (Mr. Kilger): I apologize for interrupting the hon. member for Charlevoix, but I have to remind all members that, as their representative, I must ensure that they comply with the Standing Orders of this House.

I am aware that five minutes for questions and comments is a very short period. However, comments must be brief in order to allow the member who makes a speech to provide a reply or an answer to a question.

[*English*]

In that spirit I would ask the member for Yorkton—Melville if he would like to make a concluding remark or comment.

Mr. Breitzkreuz (Yorkton—Melville): Mr. Speaker, I have taken to heart what has been said. I will try to be brief.

I feel it is very important that we sit down together and discuss these things, as my colleague from the Bloc has said. We need to do this in an atmosphere that our standing committees are conducive toward. We have these committees in place. They have a mandate to review the programs. I am on the Standing Committee for Human Resources Development and we are looking at a budget of \$68 billion. Right there, if we are going to restructure that, there is a tremendous opportunity to do the things suggested here and those are to review social programs and look at ways in which spending can be reduced.

We have all these standing committees in place already. I do not think we are going to solve our problems in government by bringing in more government. That contributes to the problem we already have. We need to reward people for finding ways to do with less, to downsize government and consequently spend less. That is the aim that we must have. We must never lose sight of that as we work on our individual standing committees.

(1140)

[*Translation*]

Mrs. Monique Guay (Laurentides): Mr. Speaker, I am pleased to take part in this debate today. I hope that our arguments will help enlighten hon. members about the merits of our motion. What we are proposing is a simple and realistic

process that no member in this House can off-handedly reject simply because it was not put forward by his or her party.

Our constituents expect such action from us. I do not see how I could go back to my riding this weekend and try to explain why we refused to examine public finances. Such a refusal would show a lack of respect for our voters and an attempt to shirk our responsibilities. We as members of the Bloc Québécois have received an additional mandate, and a significant one at that.

Quebecers have especially asked us to protect their interests and to focus our energy and efforts to help Quebec attain its sovereignty. Soon Quebecers will democratically determine their own future.

For more than three months now, each and everyone of us has noticed, day in and day out, that our federal system has some major flaws on several levels, especially from an administrative and a political point of view. On the one hand, the Auditor General has always loudly complained about the mismanagement of government funds.

On the other hand, provinces claim that they have been treated unfairly, because of unjust decisions based on so-called national standards, which obviously are not making provincial authorities very happy. Add to this the willingness of hon. members to play a bigger part in the decision and legislative system, and you can say without a doubt that our system is not efficient and needs some major changes.

Take, for instance, the Auditor General of Canada who publishes every year horror stories like some of Stephen King bestsellers on the way our government manages this country. The Auditor General cannot all by himself go through everything. He focuses on some very well defined areas. He examines only some of the elements of public administration. He is asked to perform a monumental task requiring detailed knowledge of the situation. Recently we heard some horror stories about senators, but let us not dwell on that.

The evaluation process used by the Auditor clearly shows the scope and the complexity of the federal administration. It is becoming more and more difficult, if not utterly impossible, to control this monster and the vast number of programs involving extraordinary public spending.

Our approach or proposal is a symbolical and responsible attempt to democratize and open the whole issue of public finances. The people will better understand public expenditures and will be in a better position to evaluate the government's decisions.

Year after year, successive ministers of Finance pledge to apply stricter controls, to eliminate waste and to reduce spending. Alas, results are always disappointing. Governments are

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much more apt to raise revenues through taxes than to reduce their extravagant expenditures and waste.

We, the Bloc, will allow, with this motion, every member to keep this promise. It is up to you to decide.

The Minister of Finance prefers to travel throughout the country at the taxpayer's expense to hold other consultations. I do not think these little trips will solve anything.

The minister should sit down with us and all the other parties in this House and look carefully at the true financial mess our great country is now in. I am sure that everybody here would agree to such a serious and open process. Nobody in this House can support ridiculous or useless spending.

(1145)

Nobody can condone waste and deadwood. In the end, this process aims at ensuring that every tax dollar is spent efficiently.

As social housing critic, I have to look at the activities and programs of the Canada Mortgage and Housing Corporation. Note that Quebec also has its own housing corporation, that is, the Société d'habitation du Québec. The work of these two similar corporations is similar and sometimes complementary. Both organizations deal with housing.

There is certainly some duplication of services that is very costly in terms of the number of employees doing similar tasks at both levels of government. These sums are possibly included in the operating budgets of the various programs under their authority. And let us not forget the incredible number of interdepartmental meetings required in order to harmonize the programs and all the co-ordination meetings between officials working on various projects.

Since there are federal-provincial agreements in each of the provinces, we can multiply by ten, plus two for the territories, this type of duplication of services that is very costly for the taxpayers and very confusing for the general public. Each level of government has its standards, its inspectors, its codes and its regulations. There is a cost attached to all that. We must simplify the system and concentrate all these activities at the same administrative level in order to meet needs more efficiently and to maximize the use of the money allocated for these programs.

Obviously, in Quebec, the Société d'habitation du Québec must be the only administrative authority in this area. The other provinces should do the same. That is up to them.

Right now, in Canada, in this rich and developed country, 1.2 million people are in desperate need of housing. The total withdrawal of the federal government as of January 1, 1994 is indecent and unacceptable. Moreover, the general agreements with the provinces are melting away like the snow because of deep cuts in federal funding. So, all of a sudden, the provinces/

find themselves without funding and it is the poorest in our society who suffer the terrible consequences.

Liberals do not seem to be doing anything to rectify the situation. They say that there is not enough money. Here is a golden opportunity for the government opposite to find considerable amounts of money in order to meet the housing needs of disadvantaged Canadians. But, a word of caution, the money taken from the various departments will have to be redistributed under new criteria. Federal standards must meet the particular needs of individual provinces and reflect their reality.

Quebec wants its fair share of funding for social housing, which has not been the case in the past few years.

Finally, let us administer our country intelligently and openly so that we have the means to meet the needs of the people, some of which are urgent.

[English]

Mr. Pat O'Brien (London—Middlesex): Mr. Speaker, it is a bit hard to believe some of the things we are hearing in the House today in this debate. We heard the member for Yorkton—Melville earlier complain that his constituents were not invited to comment on the budgetary process, the most open one ever held in the country.

I would remind all members of the House that we are members of Parliament and we have an opportunity and a responsibility to consult with our constituents. We did that in my riding of London—Middlesex in collaboration with my other two colleagues in London. We held a pre-budget meeting and heard the concerns of our constituents. I would remind members of Parliament that as talented as he is the finance minister cannot be all places at the same time.

The member for Laurentides castigated the past government for its financial excesses and I would certainly agree with her. I would note that the leader of her party was a cabinet minister in that past government. Perhaps he could rationalize that past performance for her.

I quite frankly doubt very much that I could support the Bloc motion. Where specifically do the terms of reference for the public accounts committee, of which I am a member and which meets for the first time today, fall short in what the Bloc seeks to achieve by its motion?

(1150)

If I can have explained some of the shortcoming in these terms of reference then perhaps I might be persuaded to support the motion.

As has already been noted, it will be interesting whether the Bloc takes up its opportunity today to have the chair of that committee be one of its own members. I am unconvinced at this moment. I am flabbergasted by some of the remarks I have heard

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by members of Parliament in the House. It is an abdication of their responsibility.

[*Translation*]

Mrs. Guay: Mr. Speaker, to answer the question asked by the hon. member, I would like to say that we will all work in committees, but it is federal expenditures as a whole that need to be examined. At the moment, I think this task is divided among various committees, but our motion goes way beyond the study of a particular area of expenditure by a committee.

Mr. Jean-Robert Gauthier (Ottawa—Vanier): Mr. Speaker, I listened carefully to the hon. member's comments and I agree with her that overlap and duplication are two different concepts. We talk about overlap as if it was the same thing as duplication. The latter can imply waste of money, but the former is not unusual in a federation like Canada.

According to our Constitution, there are only two areas that I can think of where there is no duplication and they are postal services and defence. In all other areas, duplication is a fact of life in a federation. We will try to eliminate waste as much as possible, waste being the unjustifiable spending of public money. I agree with the hon. member that we should try to eliminate duplication.

However, I would remind her that it is not easy to get rid of overlaps. As chairman of the Public Accounts Committee for three years, I had tried to convince the previous government, and maybe members of this House, that it was worth letting the Auditor General table reports on specific issues as he saw fit to draw the attention of members of Parliament to administrative problems.

Maybe the hon. member did not know it, but I submitted a bill to this House, Bill C-207, I think, which would have allowed the Auditor General to table reports on selected issues whenever he wanted. Right now, he can only table one annual report. The hon. member is right when she says that it is quite thick and sometimes difficult to read, and that even the committee finds it difficult to act on its recommendations. Would the hon. member and her party support a measure like the one I advocated to authorize the Auditor General to table reports on selected issues whenever he wants?

Mrs. Guay: Mr. Speaker, we are not against the principle but we must study the question further. As for duplication, the hon. member is right, some duplication is unavoidable. We try to eliminate duplication in order to reduce costs, to save money, to become more efficient.

This is not the case now in several areas and I think that you are well aware that that situation has been with us for many years. It is high time to empower a special committee to study

all those questions, all forms of waste. Such a committee could, for the first time, I think, be very effective and it could produce fresh new solutions and maybe an alternative to the system we use presently to manage public funds.

Mr. Maurice Godin (Châteauguay): Mr. Speaker, on the occasion of the first substantial speech I have the opportunity to make in this House, I would like first of all to greet all the constituents of the riding of Châteauguay. Nestled by the borders of Quebec, Ontario and the United States, this part of the area called Montérégie is located southwest of Montreal. Previously made up of rural towns and villages, this riding has become over the years one of the suburbs of the largest French metropolis in North America.

In the west of the riding lies the city of Châteauguay with a population of about 40,000 people who for the most part work on the island of Montreal.

(1155)

In the east, there is a group of towns that have become industrial centres. In the south, some other towns were able to save farmlands from urban development. The northern part of the riding is taken up by the Mohawk reserve.

In the riding of Châteauguay, we know what federal presence means. It means the St. Lawrence Seaway and, through it, the demise of the port of Montreal; it means the development of Sarnia, in Ontario, through the transfer of the petrochemical industry from the east end of Montreal; it means the Kahnawake reserve and the closing of the Mercier bridge during the Indian crisis in the summer of 1990. It also meant war measures in 1970 and conscription for the two world wars, and I could go on.

For many years, the federal presence has meant only trouble, worry, indecisiveness, lack of determination and, most of all, poor management of public funds. That is why so many Quebecers are increasingly looking at sovereignty for Quebec.

At a time when the deficit is reaching proportions beyond the comprehension of most people, all of us here in this House are challenged to resolve this monstrous problem. Citizens have lost confidence in the capacity of governments to control expenditures. We do not have any grace period to regain that confidence. We must act now and act effectively. From now on we will have to live within our means and our capacity to pay.

Yesterday the Bloc Québécois caucus had the opportunity to meet the Conseil du patronat du Québec. Established in 1969, this group of employers has 547 members, 430 of which are corporations or associations actively involved in developing Quebec economy. That most influential organization told us about its concerns with regard to public spending, among other things.

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Where does the Bloc Québécois stand? Despite the heavier tax burden we experienced in the last few years, it seems that federal expenditures always exceed revenues by over \$35 billion each year. It does not seem possible to increase the tax burden any further.

We should therefore have a look at expenditures and tax loopholes. In this regard, the Bloc Québécois will support every proposal to better manage our public expenditures and lower the annual deficit. The Bloc Québécois appeals once more to this government to scrutinize all budgetary items.

First of all, we should eliminate duplication, consolidate administrative units and bring about the decentralization of powers. Second, we should implement the corrective measures recommended each year by the Auditor General, whose reports always point out situations where billions of dollars of public money are wasted both in program spending and tax expenditures. Take for example foreign investments by corporations which are always mentioned since 1986.

We should then reexamine and eventually abolish special privileges granted to the wealthy through family trusts, on which the Department of Finance will not give any information whatsoever. Fourth, we should hand over to Quebec jurisdiction over manpower and training. We should also cut 25 per cent of the defence budget. That could save nearly \$3 billion without putting the security of Canada or Quebec in jeopardy.

The Conseil du patronat du Québec supports the Bloc Québécois position that duplication should be eliminated. The Conseil also agrees with the Bloc Québécois that the whole field of manpower training should be transferred to Quebec.

In my capacity as the official opposition critic for the Department of Veterans Affairs, I will endorse the Bloc Québécois position concerning that department and its mandate. The total estimated budget of that department for the fiscal year 1993-94 alone stands at \$2.1 billion. Of this amount, close to \$700 million is earmarked for health care, a third of all spending.

(1200)

According to the 1993-94 estimates for Veterans Affairs Canada, health care claims have been on an unprecedented rise in the last few years. The reason for this is that veterans are getting much older, triggering higher administrative and financial costs.

These trends confirm that this department is taking more and more hospital space. In the last four years, health care costs went up in excess of 59 per cent. A third of the budget is spent on services already provided by Health and Welfare Canada and the Quebec department of health and social services. Hospital care is one of the areas where overlapping of government services is most frequent. We must ask ourselves if this duplication is

really necessary or if the provinces could not simply take over hospitals which are now managed by the federal government.

What makes these services so different from those provided by provincial hospitals? What sets veterans apart from the rest of the population? We are proposing a solution to reduce public spending without diminishing the quality and the amount of services. It is the kind of solution that must be looked at, and that the Bloc strongly advocates because the situation calls for it.

In conclusion, Mr. Speaker, the government cannot increase taxes, directly or indirectly. It must, however, do everything it can to reduce the annual deficit. Consequently, there is no other choice. It must cut public spending, but in an intelligent way so as to not hit the needy, the poor, and even all those in the middle class who work so hard to earn a living in this country.

I repeat that the government has to eliminate duplication of services and waste public funds. This is why so many Quebecers see in Quebec's sovereignty the only solution which will help save Canada from bankruptcy.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I have just heard some of the remarks of the opposite member. He was talking about the veterans and the few institutions established to help them. Do I understand that he advocates the closing of the institution in Sainte-Anne-de-Bellevue? Did I hear him right?

Mr. Godin: Mr. Speaker, I thank the member for his comments. No, it is certainly not our intention to close the institution in Sainte-Anne-de-Bellevue. In fact, we simply want to thoroughly review the whole system for the veterans at federal level and see if it would be possible to put an end to duplication of services in order to provide the same services to the veterans or to the general population in the provinces.

Mr. Boudria: Mr. Speaker, I am sorry, but I still did not quite understand the member's comments. Earlier, he was calling these kinds of things a duplication. If I understood him correctly, and I will check *Hansard* tomorrow, he said that there was no reason why veterans deserved to have a different service than others. Does he not believe that veterans deserve at least some special consideration? If this is not his position, I would ask him to take this opportunity to correct what he said a little earlier today.

(1205)

Mr. Godin: Mr. Speaker, I am sorry, but that is not what I said. Indeed, I said—and you can verify that when you read the *Hansard*—we should maintain the same services and the same volumes. What I am simply saying is that we have identical organizations and systems, both on the federal and the provincial side, that are providing the same services. The same goes

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for hospitals. We could give the same services to veterans without requiring two organizations to head the hospitals.

[*English*]

Mr. Walt Lastewka (St. Catharines): Mr. Speaker, I congratulate the member for Châteauguay for his first speech in the House. When he was first describing his riding, I thought he was talking about mine.

We do have many standing committees in the House. Maybe the standing committees did not work like they should have in the past. My lesson in life is not to look too far back but try to go forward. There are over 200 new members in the House. Coincidentally it is almost half and half on either side of the House. Although some members might have been affiliated with the previous government they are not here in great numbers any more.

I think the hon. member used the words "if we act intelligently". I would ask the member if we all act intelligently on all our standing committees and are very cognizant of the fact that we have a mandate and a budget in each of the committees, would that not enable us to take a better look at how we are spending our moneys?

Also, with respect to the public accounts committee the chairman is a member of the opposition as has been mentioned over and over again. The committee's effectiveness and whether or not things are done properly over the next 12 months will be recorded in the next Auditor General's report. Is that not the challenge we have now with the public accounts committee as chaired by the opposition, to perform better than in the past especially since we have 200 new members in the House?

[*Translation*]

Mr. Godin: Mr. Speaker, in response to my colleague, it is often said that the past guarantees the future. But if I look back in the past, I see that we are now facing a \$500 billion deficit. And the existing system does not correct the present situation. What we want, what we are proposing is not another standing committee, but the striking of a special committee that could perhaps allow the existing committee to straighten up, so that we could really take the corrective measures that the Auditor General has been recommending for several years and that have still not been taken.

[*English*]

Mrs. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board): Mr. Speaker, I am pleased to have the opportunity to speak on this motion today.

As members in the House have heard, the President of the Treasury Board has already commented on the benefit we are already taking of the advice and analysis of the Auditor General to improve the way we do things as a government. At the same

time we welcome the scrutiny that the public accounts committee will bring to the report of the Auditor General and to other operations of government. We look forward to its advice on how we can make even further progress.

To this point in the debate we have talked about money. There is no doubt that the preoccupation of many of us in the House and of many Canadians is how we can move toward a balanced budget and how we can better control our spending and ensure value for those dollars that we do spend in terms of service to Canadians and the programs our country counts on.

I want to depart on a somewhat different track to simply say that while we deliver programs and services with money mandated by this Parliament, they are delivered by the people who work for the Government of Canada.

(1210)

I am pleased to have this opportunity to set out today plans of the government to renew the Government of Canada. My colleague, the President of the Queen's Privy Council and minister responsible for federal-provincial relations, has set out a plan which he aptly calls "Getting Government Right".

Unlike the previous government which felt it could use the public service as the brunt of all its problems, without affecting the services Canadians have come to depend on, we are working closely with our employees to develop new and innovative ways of cutting costs. I intend to talk particularly about our plans to give them the tools to do their jobs in a more efficient and effective way.

Unlike the previous government we believe government can be a force for good in society. By working together with federal public servants and by establishing a harmonious working relationship with our employees we can produce the solid results the previous government found so elusive. We can reduce waste. We can eliminate obsolete functions. We can improve services to taxpayers and create a more productive government.

We have one of the most respected public services in the world. Federal public service employees are ready to rise to the challenge of the coming years.

Under the previous government, Canadians became increasingly alienated from their government. The sense of cynicism and distrust was reaching crisis proportions that were beginning to threaten the health of our democracy and our future prosperity. How can we manage our country's affairs or bring people together to face tough issues when Canadians have so little confidence in the country's decision makers and the decision making process?

The problems we face today, the heavy debt load left behind by the previous government, the dropout rate in our schools, the need to get Canadians back to work, the need to improve our competitiveness in the global economy, all are crying for

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innovative approaches and fresh solutions. We have to change the way we have done business in the past.

Let me set out some of the recent innovations the federal public service has developed to provide affordable, accessible and responsive services and programs to Canadian citizens. It truly is an impressive list and members will be as impressed as I am with the quality of the public service we have working for us.

First we are harnessing the computing and networking power of new technologies to improve services to Canadians. There are enormous opportunities for the government to improve its services and program delivery through innovative use of information technologies and we are tapping them.

[Translation]

By its very nature, the government is focused on services and uses large quantities of data whether for the payment of family allowances, pensions and UI benefits or for the delivery of health and safety services. Income tax, scientific research and statistic programs, for example, need very complex information systems. At the same time, substantial improvements in government efficiency, in the quality of services and in the reduction of related administration cost can be achieved by using the new technologies to manage information and design systems.

Recent technological developments in information management systems have considerably reduced the cost of applications while increasing their effectiveness and efficiency. With the new technologies it is now possible to collect, store, manage and distribute data with a high degree of efficiency. The ability to obtain accurate data in a very short period of time provides us with tools to improve service and decision-making.

(1215)

[English]

We are managing this unprecedented rate of change in a way that taps the creative and organizational skills of federal public service employees. They play a vital role in shaping the human face of government and in making government a force for good in the economy of the country. Public service employees are rising to the challenge.

To give an example of the kinds of changes taking place in the public service, one just has to look at the typical work station of a government employee. Today microcomputers are used by one out of every three government employees and networks linking them are expanding rapidly. Program operations and service delivery are becoming increasingly dependent on information technology.

The challenge now is to bring our present systems up to date and adapt them to the new applications which are emerging. We have developed a plan for doing so. It is a comprehensive, integrated approach to modernizing government services and program delivery mechanisms through the use of enabling technology.

In the next few weeks the Treasury Board secretariat will be sending out for consultation a draft blueprint for government service renewal. We are asking government employees and private sector suppliers to government to comment on the plan. That is a very important step in our transition from paper driven bureaucratic processes to modern, efficient, electronically linked business transactions. It is people who can turn ambitious plans into reality.

We are building partnerships with our employees. We are building partnerships between government departments, between the federal government and its clients and between the federal government and the Canadian public.

Employees want to know how they can fit into a new and more efficient way of delivering services. They want to know how they can contribute to this important goal. The plan sets out a vision for a new way of doing business and lets employees contribute where their skills are most needed.

A key principle in the plan is the recognition that the role of government must be dramatically reassessed to live within shrinking budgets.

Another is that we can improve the way services are delivered. To do this we are creating a learning culture in the public service that supports employees in their transition to new ways of doing business. We are committed to enhancing the knowledge, skills and active participation of employees. We believe in partnerships. The advent of computer based networking means that we are becoming increasingly interdependent and so it is only logical that partnerships between the various players must be the starting point of any initiative. The blueprint for government service renewal reflects this.

Program renewal projects are already under way in agencies such as Revenue Canada, Health Canada, and Human Resources Development Canada. These will serve as models. Revenue Canada, for instance, is introducing a single business registration number for corporations paying taxes, duties and GST. This number will make it possible to have a single window access to Revenue Canada and to file and submit a consolidated net payment. In a number of areas in a number of departments single window access has the potential to be a major improvement for people dealing with the federal government.

A government-wide telecommunications network infrastructure will mean that federal public service employees will be able

to contact colleagues anywhere in Canada by electronic mail. The infrastructure will set the stage for delivering public services electronically and it will trigger significant efficiency gains and reduce duplication of networking facilities.

The real payoff from these innovations comes through the synthesis of organizational innovation with technological innovation. Viewing information as a strategic resource that infuses every dimension of government operations and employing information technology in government to achieve the public sector equivalent of competitive advantage provides a framework for this synthesis.

(1220)

Everyone in the House today will agree when I say that the remaining years of this century will be a period of significant challenge for Canada. A growing and increasingly diverse population, continuing global economic transition and rapidly changing public priorities will require that the government adapt existing programs and create new ones that are more productive, require fewer public resources and increase the timeliness and convenience of public services. Thoughtful strategic uses of information technology will mean the difference between well managed effective programs and programs that are a public encumbrance.

Let me give the House a look at what it will be like to do business with the government in a few years. What will work be like from the perspective of a federal government employee?

First, the information people need to do their jobs will be available at their fingertips. The public will have direct access to government information from its homes. Electronic libraries will be available from libraries and stores. The government will publish a catalogue of software that will be available free or for licensing to the private sector and the public. Service providers will be able to make rapid, on the spot decisions supported by information systems which provide immediate access to all required information and expertise.

Far fetched? Not at all.

[*Translation*]

Canadians will be able to access personalized services, 7 days a week and 24 hours a day, through terminals—similar to automatic teller machines—installed in convenient locations or through personal computers. Regular communication between government and the private sector as well as within government itself will soon be electronic. This will be reality very shortly. Consider, for example, how quickly Canadians got used to automatic tellers once they realized how convenient they were.

[*English*]

The computer will become just another household appliance, as commonplace as a refrigerator or a stove. It will be able to recognize voice messages, handwriting, be able to communicate

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with pictures. We will take it for granted. Employees will use computers even more widely in their work. They will routinely create spread sheets, retrieve information from data bases and produce charts and diagrams. Computer assisted translation will support and enhance employees' language abilities, thus improving service to the Canadian public. This is not science fiction.

The government's strategy for moving forward aims to take advantage of five key trends. Employee's attitudes to technology are rapidly changing. Their knowledge, proficiency and confidence are improving at a rapid rate. Employees no longer resist technology. They want more of it and want to be better trained to apply it. The public is getting used to electronic service and is asking to be served in this way. New entrants to the workforce who have grown up with technology expect to use it in their jobs.

It will be much easier to obtain information. Knowledge will be available via expert systems to answer queries as a specialist might. New applications will be less costly and more timely due to the use of packaged systems or modern system development products and it is getting easier all the time. The ability to manage text, graphics, data, sound, video and pictures in the same data base will change the way information is used. The ability to access multiple data bases easily will contribute to this change as well.

Why is it so important to move in this direction? It means improved delivery of service to the public, significantly improved productivity in the public service and increased international competitiveness in a global economy. Partnership with other levels of government, with business, with labour is how it will be achieved. The government's vision for information management is the orderly transition to a seamless technological environment in the home or in the workplace at the service of Canadians.

(1225)

I add as well that the Auditor General in his report placed great emphasis on the importance of information for parliamentarians. In our decision making we rely increasingly on rapidly available and accurate, well analysed information. The technological revolution that we see in the way government services will be delivered will also be a technological revolution in the kind of information that will be available to us as parliamentarians to make decisions as we move into a new world.

In closing I would like to quote Peter Drucker: "Every few hundred years throughout western history a sharp transformation has occurred. In a matter of decades society altogether rearranges itself: its world view, its basic values, its social and political structures, its arts, its key institutions. Fifty years later a new world exists. And the people born into that world cannot

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even imagine the world in which their grandparents lived and into which their own parents were born”.

We are going to be ready for that new world because in the words of all my colleagues in our cabinet, we are getting government right.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I listened to the hon. member's comments and to other comments in the House this morning on the motion by the Bloc Québécois to appoint a special committee that would carry out an exhaustive and expeditious review of all public spending by the federal government.

I do not think hon. members opposite understood the Bloc's motion. I think they are acting irresponsibly by rejecting out of hand a very responsible request, a request made repeatedly by the Bloc Québécois since the morning of October 26, and I think the people who elected the members opposite are starting to regret their decision.

We do not want the special committee to look at everything through the magnifying glass of the Public Accounts Committee, consider every spending item and make a summary analysis. The Auditor General pointed out in his second report that year after year, the Public Accounts Committee's report was limited and fragmented in scope, because Parliament did not receive all the information it needed from the departments. That is what the Auditor General said in his report.

In fact there has never been a special committee to conduct an exhaustive study of the overlap between federal and provincial activities.

What we want is for a special committee to take an in-depth and responsible look at the very structure of public spending. If the Public Accounts Committee had been so good at streamlining and restructuring public spending, we would not be where we are today, with a cumulative debt of \$507 billion and a deficit that may reach \$46 billion this year.

Yesterday, I put the same request to the Minister of Finance in the finance committee, when I asked for an exhaustive review of the Canadian tax system. Incidentally, the minister answered that their priority was to examine the problems connected with the GST and the alternatives to the GST. The committee was looking at a specific and current problem—whether or not to replace the GST—instead of conducting an exhaustive review of the Canadian tax system, something we want the committee to do in addition to having a special committee on public spending.

We must realize that the public accounts committee is not able to carry out this kind of exhaustive review, especially with

respect to program overlap, as the Auditor General pointed out. Take our request seriously and stop dismissing it as if this were a very prosperous and efficiently run country that did not need thorough structural change. If it was a private company, it would have gone broke long ago.

(1230)

Mrs. Catterall: Mr. Speaker, if members on this side of the House do not understand the motion, perhaps members on the other side of the House failed to explain it properly, but it is quite clear when you read it.

The mandate the motion wants to give this new committee happens to be the mandate of the public accounts committee. In fact, the committee can do exactly what the motion requests. If the committee needs more resources, that is an issue the new chairperson, a member of the Bloc Québécois, will be able to discuss with committee members.

And I am sure that committee members are listening carefully to the proceedings in the House today. I understand perfectly what the hon. member means. There is a need for a thorough review of our present systems for providing information to members and for evaluating our programs. In fact, in line with the mandate of the President of the Treasury Board, new efforts are being made in this respect, and the same minister is responsible for the Privy Council Office.

I am sure the public accounts committee will be delighted with this opportunity to consider its agenda for the coming months. I may add that the committee is the master of its own affairs, decides what it wants to consider and reports to Parliament when it wishes to do so.

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, I listened carefully to the member's speech. She gave us a impressive image of the training within public service, she listed all the services, and let me use her own word, the affordable services she can offer to the population with this new technology.

But the hon. member never said a word about the Bloc's motion proposing the review of an existing committee or the creation of a new one to examine public expenditures. In answer to my colleague's question, the hon. member finally addressed the motion for the first time a while ago but she spoke about everything else but that.

This morning, I took part in a preliminary meeting, the first meeting of the transport committee. Let us look at the committees' expenditures. There are 20 House committees and out of total expenditures of approximately \$2 million, about \$592,000 are spent on public consultations of experts, friends of the government, et cetera. The committee we want to create would prevent such useless spending.

Are we not, as members of this House, the most suitable and accessible group if committees want to consult anyone? That makes all the difference. As for the public accounts committee, its actual mandate is simply to check on certain elements. It does not analyze thoroughly the Auditor General's report or recommendations. We would only have to determine the exact difference between that committee and the new one which would look especially at expenditures. I would like to know the member's opinion on the motion of the Bloc Québécois.

(1235)

Mrs. Catterall: Mr. Speaker, I would certainly like to make a comment.

I hope the member opposite recognizes that the motion deals directly with the importance of information, efficiency and effectiveness. The information I provided this House today in my speech deals exactly with those issues. The government is already implementing measures to improve information, efficiency and effectiveness so that the very point of the motion is taken care of and so that we may improve the ability of this House, its members and committees to make better decisions in the best interests of the public, the financial situation and the future of this country.

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, as you know, as a political Party, the Bloc Québécois, has committed itself to defend the interests of Quebec and, as the Official Opposition, it has committed itself to responsibly and effectively assume this role.

In this context, I want you to be assured, Mr. Speaker, that we are going to make constant, accurate and regular efforts to see that this government abides by the commitments made in its famous red book.

With regard to this debate on the creation of a special committee with a mandate to evaluate the various programs, I would like to highlight some deficiencies of the Canadian federal system which are at the root of the poor management of this country and of its financial crisis. I refer in particular to the shortcomings of the evaluation process as applied to government programs.

Given the weakness of this mechanism which allows to systematically verify in each department the efficiency and the viability of government programs—the legacy of the Trudeau and the Mulroney eras—the Bloc Québécois wants to proceed to a detailed evaluation of the government spending programs.

In our view, program evaluation must meet three basic needs of any administration which has self-respect and knows how to efficiently defend itself. First, the information collected through such evaluation measures is used for clarifying the decision making process regarding the allocation of resources, making it more efficient. Second, these measures help Quebecers and Canadians to decide on the return from tax revenues. Finally, such measures make civil servants responsible not only

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for the implementation of the procedures, but also for the results achieved.

At present, the Treasury Board policy on evaluation consists of two elements. A self-evaluation made by the departments and a process directed by a central authority which has the mandate to establish priorities, provide technical assistance and monitor the evaluations made by departments. Therefore, evaluations are already being made by some departments but the monitoring part is far from brilliant.

There are two main problems related to program evaluation in Canada. First, the resources allotted to a department to make such evaluations and thus increase the return on public investments are clearly insufficient.

Let me give some examples which speak for themselves. Between 1989–90 and 1991–92, the expenditures related to program evaluations went down 28 per cent which, as a result, has led to a reduction in the number of program evaluations since 1987–88. Indeed, 99 program evaluation reports were produced in 1987–88 compared to only 80 in 1991–92. Most importantly, during the latter period, government expenditures for 16 programs totalled \$124.5 billion. Only two of those programs were examined thoroughly. By the way, the Trudeau and Mulroney administrations never gave any special attention to major programs. Evaluations do not focus on programs with the greatest expenditures. It is estimated that programs with expenditures of less than \$250 million were evaluated twice as much compared to those spending more than that amount.

(1240)

I must underline that according to 1991–92 figures, evaluations done on a seven-year period focused on 24 per cent of program spending. If we take into account the cost of debt service, evaluations were on only 18 per cent of expenditures over a seven-year period. Also, starting with 1991–92 figures, evaluations done over that period focused on only 24 per cent of program spending.

A second problem with governmental program evaluation has to do with the quality of controls regarding the evolution of those programs. By placing evaluation services within departments, we have given the immediate needs of managers precedence over those of the government and the public. How? They neglect the basic role of program evaluation which is to ascertain program effectiveness and question them if necessary, for the sole purpose of allowing for optimal allocation of resources.

In fact, the evaluations cover operational aspects only and in no way determine the programs' relevance or cost-effectiveness. The Canadian public service, as well as any Western bureaucracy, is rather self-sufficient and very resistant political interference in its methods of operation. There is no systematic evaluation of programs involving more than one department. The House of Commons could establish a system to that effect as a symbol of the involvement of the population in the political

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life of the state of Quebec and of Canada, at least if one believes in democratic representation.

With such a huge deficit and a rather anemic economic recovery, it is essential that the existing resources be allocated and used as efficiently as possible. I am sure you will agree, Mr. Speaker, that in such a context, program evaluation becomes essential. Without effective program evaluation, the government is just not able to best allocate its resources. In fact, parliamentarians are asked to work in the dark, and to allocate resources without knowing what the situation really is.

The Auditor General said in his report that "In the 1990s, program evaluation should be seen as crucial to the management of government expenditures, because it can help to arrive at informed decisions aimed at controlling growth of the public debt". Therein lies our problem.

By comparison, the United Kingdom, Australia and the United States have adopted an external evaluation system for government programs. For example, in the United States all evaluation reports are made public and they are often presented directly to Congress. In addition, Congress can request evaluation reports on programs that it wishes to review. Which means that the legislature has control over the evaluation process.

(1245)

Again in the United States the general accounting office handles requests for and submits evaluation reports to Congress.

In the United Kingdom managers are responsible for meeting performance objectives, while in Australia, evaluations are used in the budget-making process.

In 1978 the public accounts committee recommended that evaluation results be tabled in the House within 60 days after the evaluations were completed. In 1983—listen to this, Mr. Speaker—only one single study was tabled.

Is this the mark of a conscientious, efficient government administration? Is it not, rather, the trademark of the Liberal Party of Canada? Will the newly announced national infrastructure program, which is being touted as the saviour of the Canadian economy, be subject to an evaluation? Will it be based on effective management criteria? I doubt it. The Auditor General's report has already been forgotten and evaluation criteria will be defined later, or so we are told.

To stop this waste of public funds, the Bloc Québécois is calling for strong action. It wants the House to press the government to strike a special parliamentary committee made up of all official parties. The committee would have a mandate to review federal government expenditures in light of the report

of the Auditor General of Canada, as well as overlap between provincial and federal programs.

The opposition is making this proposal in a spirit of transparency and openness, as it would provide for the public scrutiny of official matters. The committee would have the power to call witnesses if it felt their testimony would be useful.

We are proposing that this committee, which could be called the standing committee on program evaluation, report before June 23, 1994, and that the government undertake to give a formal response to this report by tabling its response to the committee's recommendations on the first sitting day of the 1994 fall session of this House.

The Official Opposition is presenting a constructive proposal aimed at achieving the objectives put forward by the Liberal government in its red book, namely ensuring transparency, restoring the image of politicians and allowing for greater involvement of members of Parliament in the affairs of government and of the House.

This proposal constitutes a formal invitation from the Bloc Québécois, the Official Opposition, to the Liberal government.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I would have a question for the hon. member. I greatly appreciated his remarks and his idea of setting up another House committee.

Mr. Boudria: Another one.

Mr. Milliken: I think we have all the committees we need. We have the public accounts committee, the chairperson of which will be appointed by the Official Opposition. It could examine all these matters the hon. member raised, matters which are really important to all Canadians. This committee is responsible for dealing with the Report of the Auditor General. I wonder why the hon. member could not start examining that report as well as the programs he mentioned in his speech when this committee is convened.

(1250)

Mr. Leroux (Richmond—Wolfe): Mr. Speaker, in response to this question, considering the long experience of the hon. member, I will say this: we must improve transparency. The Auditor General himself indicated in his report that he had been unable to obtain some information. So, what we are proposing is not "committeetis" so to speak, but one committee with the power to obtain all the information. That is what our proposal is about. If you want transparency, set up a committee that will have access to all the information.

*Supply**[English]*

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, I acknowledge the member's passion with which he speaks in this debate this morning. He refers to the infrastructure program and is highly critical of the fact that we will not be monitoring and watching it as carefully as we might.

Does the hon. member not have confidence that the municipalities in the province of Quebec can administer these programs and deliver what is best for the citizens of Quebec?

[Translation]

Mr. Leroux (Richmond—Wolfe): Mr. Speaker, I thank the hon. member for her comment and question. We have every confidence that the municipalities in the province of Quebec will administer their share of the third of this program.

If, as the hon. member pointed out, there is so much passion in my speech, it is because we are dealing with initiatives that eat up billions of dollars and must be examined against the background of an enormous deficit and the absence of any real audit and evaluation programs. A mere 25 per cent of expenditures have been submitted to program evaluation in seven years. This is an indication that we must act and set up a special committee which will be able to examine all expenditures.

Mr. Caron: Mr. Speaker, I ask that the House sit until 1:05 p.m. so that hon. members can ask me questions after my speech.

The Acting Speaker (Mr. Kilger): The House has heard the request of the hon. member for Jonquière. Is there unanimous consent?

Some hon. members: Agreed.

Mr. André Caron (Jonquière): Mr. Speaker, the motion put forward by the Official Opposition calls for the creation of a special parliamentary committee with a mandate to examine public expenditures by the federal government. These are the expenditures related to the various programs implemented by departments and Crown corporations with billions of taxpayers' dollars.

It is the responsibility of Parliament to determine whether taxpayers' money is being spent wisely. During the last election campaign, the Bloc Québécois argued that a review of public spending was urgently needed. The idea of a special parliamentary committee responsible for this task was extremely well received in my constituency. People want to know. They see around them examples of misspent public funds. They read in the newspapers horror stories on public spending.

Like other Canadians and Quebecers, the people in my constituency are aware that the government does not have much leeway in financial matters and they know that we must contemplate drastic cuts in spending.

While taxpayers want the federal government to cut spending, they are opposed to hasty, systematic, arbitrary cuts that may have disastrous consequences, especially for the poorest in our society.

Parliament, being responsible for the public purse, must screen public expenditures. Some are essential, others necessary, many undoubtedly useful, but some are unnecessary in today's context and must be eliminated.

The proposed committee could be responsible for this analysis of expenditures and report to Parliament, who would then be able to set objectives to reduce spending and justify these objectives to the people affected by the cuts.

(1255)

This is an emergency measure because the situation requires it. The present procedures and control methods have been shown to be ineffective. Those who claim that this duplicates the Public Accounts Committee are mistaken. The mandate of the proposed committee is broader and, given the situation, it is almost a public salvation committee which could force managers to open their books and even go so far as to suggest a restructuring of public spending in Canada.

The mandate of the committee which we propose would be to review all spending related to government programs. The Auditor General's latest report gives us many examples of programs that could be examined.

As an illustration, see what the auditor concluded after examining the Canadian aboriginal economic development strategy program, for which the government has spent not less than \$900 million since 1989. I am interested in this program because I am a member of the Standing Committee on Indian Affairs and Northern Development.

This program was run by three departments: Indian Affairs and Northern Development, Employment and Immigration, and Industry, Science and Technology. The overall purpose of the program was to reduce economic disparities between native people and other Canadians and Quebecers, a laudable goal which no one can criticize. The aim was to help native communities become economically self-sufficient. If you know the social and economic situation of native people, you will agree that it is urgent. We must act so that there are no more Davis Inlets in Canada.

Was this highly laudable goal reached? No one can say, according to the Auditor General. The three departments could not show that the funding methods used and the amounts allocated were appropriate. The departments concerned could not prove that they met the goals of the strategy.

In short, after spending \$900 million, Parliament does not know if the employment rate and income have increased among native people, if a reasonable number of new businesses were started, if the native people are less dependent on welfare. Nor does Parliament know if native communities are better able to

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manage their affairs. In other words, we spent \$900 million and we have to say, "Let us hope that it was effective". But in practice we cannot say that it was.

Let us be clear on this. The program may have been a great success, but Parliament, Canadians and Quebecers have no idea that it was. Should we eliminate programs of this kind in the native community? We do not know; we are not in a position to make a decision. Or, on the contrary, should we increase the amounts allocated to reach the goal of economic equality among native people, Canadians and Quebecers? No one knows.

Much more important, were the native people sufficiently involved in the process? No one knows because in the days when Parliament could be satisfied just to send money to the reserves and say that we did what we had to do are long gone. The government announced that native self-government would take effect in the coming months. Thus, we must ensure that the people who will have self-government can look after themselves, by giving them training, experience and programs to help them prepare for it.

A special committee like the one we propose could help Parliament answer all the questions for which I just said we had no answer.

(1300)

Parliament must be informed, it is only just. Just for the taxpayers whom we represent, and just for the program recipients whom we also represent.

The people for whom these programs were designed do not have to suffer the shame of being accused of illegally receiving the taxpayers' money. We often blame the recipient, the welfare recipient, the unemployed, the health care consumer for abusing the system.

As usual, someone is being made the scapegoat. We see the horrifying practice whereby victims even start feeling guilty. Blaming recipients for spending public funds is easy, whereas the onus is in fact on Parliament and managers to act so that the taxpayers' money is spent wisely.

Those who were in charge of ensuring that public funds were well spent in Canada did not do their job. The result of their carelessness is a catastrophic public debt and stronger biases against government program recipients, for example, health care consumers and welfare recipients and unemployed Canadians.

In closing, I would like to say that, to continue performing their duty, taxpayers must be sure that their money is well spent. They must be convinced that public funds are not being wasted, that cuts will be made where they should be. A committee such as the one proposed must be able to do the proper analysis, thereby allowing Parliament to implement the necessary budget

measures, to put the public finances in order and to restore the confidence of Canadians in their representatives.

Mrs. Pierrette Ringuette-Maltais (Madawaska—Victoria): Mr. Speaker, I have been listening for several hours to the members of the Official Opposition, and I do not understand what is going on. I will explain what I mean and then I would like to get some answers from the hon. member for Jonquière.

The Bloc Québécois proposes the setting up of a new special committee to address issues which are already being looked at by standing committees of the House. Is this an indication that, even though the existing standing committees of the House have not yet started their work, the members of the Official Opposition do not trust them?

I also want to refer to a motion tabled in the House earlier this week by the Minister of Human Resources Development, which said: "That the Standing Committee on Human Resources Development be directed to consult broadly, to analyse, and to make recommendations regarding the modernization and restructuring of Canada's social security system—"

This motion to modernize programs was approved by 216 members, while 52 were against it. Who objected to a comprehensive review of social programs which are just as necessary to Quebecers as they are to the rest of Canada? I look forward to the answers of the hon. member for Jonquière.

Mr. Caron: Mr. Speaker, I will provide two examples of issues which this committee could examine and which are not currently being looked at. There is the matter of overlapping, for instance. As someone involved in the movement for Quebec's sovereignty for more than 20 years, I have seen every day examples of overlapping of federal and provincial services. I have yet to see a comprehensive study, whether by the public accounts committee or another committee of the federal government, on this issue. I have never seen any such study.

(1305)

There is also another type of issue which this special committee could look at. As you know, Quebec and Ontario have their own police force, while the other provinces rely on the RCMP. To what extent do Ontario and Quebec taxpayers subsidize the police force elsewhere in the country? We would like an answer to that question and to the fact that some expenditures paid by certain segments of the population do not directly benefit them.

Essentially, what we want is not a technical or technocratic committee but, rather, a political committee which, on behalf of the public, would examine government spending and say to a minister that his department spent so many dollars on such and such a program, then ask him to justify that spending. And if the spending is justified we, politicians, will tell the public that it was indeed justified. However, if managers cannot justify some expenditures, we will say, on behalf of the public that this

spending is unjustified and ask that appropriate action be taken so that it is not incurred again by the federal government.

The Acting Speaker (Mr. Kilger): It being 1.05 p.m., I do now leave the chair until 2 p.m., pursuant to Standing Order 24(2).

(The House recessed at 1.05 p.m.)

AFTER RECESS

The House resumed at 2 p.m.

STATEMENTS BY MEMBERS

[English]

CHINESE NEW YEAR

Mrs. Anna Terrana (Vancouver East): Mr. Speaker, today we celebrate Chinese New Year, a time to ensure good fortune for the future.

The year of the dog corresponds to year 4692 of the ancient Chinese lunar calendar which counts back to the first Emperor Huang. The year of the dog will be a prosperous year, provided harmony is maintained and conflict is avoided.

On his deathbed Buddha summoned all animals to visit him. Only 12 animals answered his plea. The dog was the 11th animal to visit, thus becoming one of the 12 animals to which Buddha assigned a year in which to rule as a reward.

My constituency of Vancouver East has a high percentage of people of Chinese origin. These people came as immigrants and have contributed significantly to the growth of this country. Through multiculturalism they have been able to retain their traditions and culture and to share them with all of us.

These days in Vancouver the Chinese community is celebrating in style. I would like to wish all of the Canadians of Chinese origin and all Chinese people a very happy New Year.

I am sure my colleagues want to join me in wishing all of them gung hey fat choy or sen nin fye lock.

[Translation]

PAVILLON D'ÉDUCATION COMMUNAUTAIRE

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, I would like to pay tribute to a community organization in my constituency, known as the Pavillon d'éducation communautaire.

The PEC, whose members and users are now present in the gallery, has been in existence for 20 years.

From the very beginning, this organization has focused its action on public education.

Public education is that great instrument by which we teach people that they themselves can bring the changes needed to create a more equitable and compassionate society.

The PEC is the place where several hundreds of my fellow citizens learned about commitment and fulfilment.

I want all volunteers, the board of directors and the management of the PEC to know that their daily efforts and sustained commitment to Hochelaga—Maisonneuve have helped to make their community a dynamic place to live. On behalf of my fellow citizens, I want to tell them today how very grateful we are for their excellent work.

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[English]

CIGARETTE TAXES

Mr. Jake E. Hooppner (Lisgar—Marquette): Mr. Speaker, I rise in the House to inform hon. members my constituents are furious that the Prime Minister would ignore the pleadings of eight provincial premiers not to reduce taxes on cigarettes and would allow Canadian taxpayers to be held hostage.

The one-half billion dollars lost by this tax reduction could be better spent on health care, education and retraining for the unemployed.

Furthermore, Manitoba residents are totally outraged that the border crossings where smuggling is a problem will now be lit up 24 hours a day. This is sending a clear message to smugglers to avoid those border crossings.

I challenge the 12 Liberal MPs from Manitoba to publicly acknowledge in the House of Commons that they have offered no resistance to this government initiative that puts the health of Manitobans at risk.

Manitobans have made it abundantly clear to me they are prepared to take action to prevent this country from going up in smoke.

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OSTEOPOROSIS MENOPAUSE EDUCATION PROJECT

Ms. Hedy Fry (Vancouver Centre): Mr. Speaker, I would like to take this opportunity to inform the House of the launching of a nation-wide osteoporosis menopause education project by the Osteoporosis Society of Canada. The project is organized through a partnership with the private and voluntary sectors and is directed primarily at Canadian women 35 to 55 years of age.

Census data for 1991 show that nearly seven million Canadian women are over 50 years of age. It is estimated that about 25 per cent of post-menopausal women are at risk for osteoporosis fractures. Costs to the health care system in treating these injuries are considerable.

(1405)

The objective of this initiative is to promote prevention and treatment strategies which will result in a better quality of life for women. It has been designed so as to encourage local grassroots activities. Planned activities will include forums throughout the country on menopause and osteoporosis.

* * *

HOME BUYERS PLAN

Mr. Janko Peric (Cambridge): Mr. Speaker, I have received letters from many of my constituents who work in the real estate and residential construction industry. These constituents have impressed upon me the need for government to extend the home buyers plan which is to expire at the end of this month.

The home buyers plan is a federal program which allows individuals to withdraw funds interest free from their RRSPs to purchase a home. Today over 148,000 Canadians have invested \$1.4 billion of their RRSP funds to purchase homes. This program has provided a much needed boost to several industries important to our national economic growth.

While the home buyers plan improves access to home ownership and creates jobs, the best thing of all is that the program does not place a burden on Canadian taxpayers.

The idea of creating this home buyers plan originated in the Liberal caucus over two years ago. It was then adopted by our predecessor—

The Speaker: I regret the hon. member's time has expired.

1994 WORLD SENIOR FASTBALL CHAMPIONSHIPS

Mr. Joe McGuire (Egmont): Mr. Speaker, I would like to welcome Ann Milne and the Summerside 94—The World Unites dance troupe, Fay Ramsay and Summerside's town cryer, Gary Nelson, to Ottawa.

Ann, a world champion Scottish dancer, and her troupe are performing at Winterlude, Canada's largest winter festival. They are acting as promoters and ambassadors for the 1994 World Senior Fastball Championships to be held in Summerside August 12 to August 21.

Summerside has successfully hosted many world and national championships in baseball, hockey and softball. I join with the promotional group in encouraging the rest of Canada to visit Prince Edward Island in 1994 and take in the world class championship fastball games.

In the meantime, I encourage members to go out and see the Summerside 94—The World Unites dance troupe at Cartier Park and also view the Summerside snow sculpture depicting the 1994 fastball championship.

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[Translation]

WINTER OLYMPIC GAMES

Mrs. Suzanne Tremblay (Rimouski—Témiscouata): Mr. Speaker, on Saturday, the 17th Winter Olympic Games will open in Lillehammer. For two weeks Canadians and Quebecers will be glued to their television set to watch our athletes perform.

Everybody will live on Olympic time and many of us will become night owls to see our athletes compete. Right now, we wish to tell them this: "Every one of you has already won". Your courage, your determination and your talent command our respect and our admiration.

I hope that each and every one of you will be lucky enough to step onto the podium. I say "lucky" because that is what it takes to win gold, silver or bronze given the high level reached by athletes in the world today.

To all Quebec athletes, I wish victory and a *Lys d'or*, which symbolizes a job well done and an objective met.

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[English]

CRIMINAL JUSTICE SYSTEM

Mr. Cliff Breitkreuz (Yellowhead): Mr. Speaker, Canadians across the land are outraged that their hard earned tax dollars are being used to pay restitution to a convicted criminal who fell while playing a racquet sport in prison.

S. O. 31

As reported in yesterday's *Globe and Mail*, one Allan Roe Coulter is serving a nine-year sentence at Matsqui prison in British Columbia after being convicted of armed robbery. Recently a judge awarded the convict \$18,750 of taxpayers' money for slipping on the floor while playing racquetball in 1988.

This is just another sample of the sorry state of our criminal justice system. Canada's overburdened taxpayers already pay well over \$50,000 a year to keep a prisoner in jail for 12 months.

On behalf of concerned Canadians everywhere, I ask the government to begin the great task of fixing the system.

* * *

SERIAL KILLER CARDS

Mr. Walt Lastewka (St. Catharines): Mr. Speaker, I rise today to state my concerns and those of my constituents over the importation and sale of serial killer cards in Canada.

(1410)

For many years trading cards have been a fun and entertaining pastime for our children. However, the introduction of serial killer cards has turned a children's hobby into the glorification of violent criminals.

Serial killer cards are offensive and harmful and to many parents a great source of concern. We have a right to protect ourselves and our children from this obscene material. The rights of law abiding Canadian citizens must come before the rights of those who bring this material into our neighbourhoods.

In his address in reply to the speech from the throne the Minister of Justice indicated he would take steps to modernize our laws to reflect current values.

The constituents in my riding of St. Catharines feel these cards are obscene. I ask the minister to review the current definition of obscenity and make appropriate amendments to ensure that the definition reflects our society's values.

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[Translation]

TRIBUTE TO SENATOR MARCEL PRUD'HOMME

Mrs. Eleni Bakopanos (Saint-Denis): Mr. Speaker, I wish to pay tribute to a man who has devoted 30 years of his life to his country, to his constituents and to French Canadians throughout Canada. Senator Marcel Prud'homme was elected for the first time in 1964 in the riding of Saint-Denis, where his family has lived for many generations. He has won the friendship, respect and devotion of every man and woman in my riding. He has fought for the rights and freedoms of the most disadvantaged people in the world.

He has helped bring together the French Canadian majority and the various cultural communities and new Canadians. If the people of Saint-Denis live in peace and harmony today, it is thanks to him. Needless to say, I am honoured to follow in the footsteps of such a distinguished man, especially since he was the first person to encourage me to pursue a career in politics.

I invite all my colleagues to join me in congratulating the hon. senator Marcel Prud'homme on his thirtieth year in Parliament.

[English]

I ask my colleagues to join me in wishing Senator Marcel Prud'homme many more years of service to the Quebec and Canadian people.

* * *

[Translation]

TRIBUTE TO LOUIS LABERGE AND FERNAND DAoust

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, for 19 years I worked with the FTQ, where I was privileged to work with two great Quebecers who dedicated their lives to defending the cause of the workers. They will shortly be leaving their respective posts.

This House must give special tribute to Louis Laberge who has been the president of the FTQ for 25 years and who was the founding president of an institution unique in Canada, the Fonds de solidarité des travailleurs du Québec. The House must also give tribute to Fernand Daoust who has been secretary-general of the largest Quebec labour confederation for more than 20 years, and its president for the last three years. Saturday, he will become president of the Fonds de solidarité.

These two great advocates of social justice and champions of Quebec's cause have had a great impact on the evolution of Quebec through their constant dedication and involvement, and deserve our admiration and gratitude.

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[English]

OKANAGAN CENTRE CONSTITUENCY ASSOCIATION

Mr. Werner Schmidt (Okanagan Centre): Mr. Speaker, a great deal of attention is being given to a quotation by Adolf Hitler that was included in a newsletter produced by the Reform Party Okanagan Centre Constituency Association.

I was not aware of, nor do I condone the inclusion of the quotation in the newsletter. The president of the constituency association has already publicly apologized.

Insofar as I am able, this will not happen again.

*Oral Questions***PARRY SOUND—MUSKOKA ECONOMIC DEVELOPMENT**

Mr. Andy Mitchell (Parry Sound—Muskoka): Mr. Speaker, I rise in the House today to speak about regional economic development.

In Parry Sound—Muskoka I am committed to ensuring the federal government actively help stimulate growth in the 43 local communities in my riding. I believe if we work together with small business owners, community leaders, elected officials, tourism operators and our industrial contacts we can set objectives and establish goals to begin the process of expanding the local economy.

In this respect I am planning two economic development forums in my riding. On Wednesday, March 2 from 9.30 a.m. to 4 p.m. the business community in Muskoka will come together at the Bracebridge Centennial Centre. The second forum will be held for east Parry Sound region on Saturday, March 5 from 9.30 a.m. to 3.30 p.m. at the Almaguin Highlands Secondary School gymnasium.

(1415)

These forums will be a catalyst for economic development in Parry Sound—Muskoka. They represent our government's commitment to the growth of the small business sector and they represent our commitment to new job creation in my riding.

* * *

FORMER YUGOSLAV REPUBLIC OF MACEDONIA

Mr. Bernard Patry (Pierrefonds—Dollard): Mr. Speaker, yesterday the United States extended formal recognition to the former Yugoslav republic of Macedonia and declared its intent to establish full diplomatic relations.

[*Translation*]

On behalf of the Greek community, particularly in my riding of Pierrefonds—Dollard, I urge our Minister of Foreign Affairs to uphold, unlike the Americans, all United Nations resolutions, including those on borders.

I am convinced such a policy would be conducive to greater stability in an area where it is badly needed.

* * *

[*English*]

1994 WINTER OLYMPIC GAMES

Mr. Maurizio Bevilacqua (York North): Mr. Speaker, Saturday marks the beginning of 16 days of exciting Olympic competition in Lillehammer, Norway. All Canadians will be watching with pride as our athletes compete for gold.

The residents of York North are especially proud of Elvis Stojko, the Canadian men's figure skating champion who lives in Richmond Hill, Ontario. The accomplishments of this young athlete are impressive and include a silver medal from the 1993 world championships and four silver medals from national championships.

I offer my congratulations and best wishes to Elvis Stojko and the entire Canadian Olympic team. I know these young Canadians will compete in the true spirit of the Olympics as we support them in their pursuit of excellence.

* * *

OKANAGAN CENTRE CONSTITUENCY ASSOCIATION

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, this year we celebrate the 50th anniversary of D-Day. Last month many Canadians watched the new film about the Dieppe raid.

Next year we will celebrate 50 years since the end of the Second World War and the defeat of Adolf Hitler at the hands of whose armies tens of thousands of Canadians died in a successful effort to rid the planet of this anti-Semitic madman.

Why then do some who work for the Reform Party of Canada stay up nights pouring over the collected works of Adolf Hitler looking for quotable—

The Speaker: Earlier in the statement period we had a statement by a member repudiating anything like that. I would prefer to let the situation stand.

ORAL QUESTION PERIOD

[*Translation*]

TAXATION

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, my question is directed to the Prime Minister. Yesterday, according to the daily newspaper *La Presse*, the Minister of Finance told the Conseil du patronat du Québec about the government's budgetary about-face in favour of a tax increase. This means the minister has given up on the need to reduce government spending.

Are we to understand that, instead of showing it had the guts to reduce government spending and plug tax loopholes for the wealthy, the government has decided to reduce the deficit at the expense of the middle class already infuriated by successive tax increases in recent years?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development Quebec): Mr. Speaker, I told the Conseil du patronat yesterday that we intended to review and abolish a number of tax

Oral Questions

loopholes. That was our position yesterday, that is our position today, and it will be our position in the upcoming budget.

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, the minister and the Prime Minister have made it clear that this year they will not make the spending cuts required to broaden the tax base, which means a net tax increase for everyone.

Could the Prime Minister tell the House whether, considering the anemic state of our economic recovery, he can still claim his government is acting responsibly by increasing the tax burden on consumers and reducing their purchasing power?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development Quebec): Mr. Speaker, there are some very obvious inconsistencies in the position taken by the Leader of the Opposition. Does he or does he not support abolishing some of these tax loopholes, as his finance critic has said repeatedly?

(1420)

Hon. Lucien Bouchard (Leader of the Opposition): Mr. Speaker, it is too bad a normally serious man like the Minister of Finance should want to confuse the issue. There is a basic difference between eliminating unfair and inappropriate tax shelters and broadening the tax base to hit the middle-class. He of all people should know that!

Some hon. members: Hear, hear.

Mr. Bouchard: Does the Prime Minister realize that getting government spending under control would increase the confidence of consumers, investors and the financial community? Why is he postponing public spending cuts for another year, in other words, putting off indefinitely a measure that is badly needed?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development Quebec): Mr. Speaker, the Leader of the Opposition is to be commended because after three months, he has finally understood our position.

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, my question is for the Minister of Finance.

There are increasingly clear signs that the government will increase the tax burden of the middle class in its forthcoming budget. Experts already set the value of the underground economy at about 15 per cent of gross domestic product.

Does the Minister of Finance not agree that any further increase in the tax burden of the middle class will only lead more people to the underground economy?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): I repeat, Mr. Speaker, our position is very clear. First,

we know full well that at one point we will have to lower taxes, especially for the middle class.

Second, we do not intend to really increase the tax burden that, unfortunately, Canadians already carry, but we will be widening the tax base. Right now, I do not understand the position of the Bloc Québécois: Should we close the loopholes? Yes or no?

Mr. Pierre Brien (Témiscamingue): Mr. Speaker, does the Minister of Finance not believe that the middle class deserves a break and that he should prove to our citizens that high income earners will be paying their fair share, by eliminating tax shelters like family trusts?

[English]

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, since this is I think the fifth time in a row this afternoon that I have had the question I will answer in English.

Let me be very clear. There are built into the Income Tax Act a number of inequities. It is our clear intention in order to confirm the support of the Canadian people for the system of taxation that we have in this country to eliminate those inequities. We intend to do that and we intend to do that in this budget.

* * *

CIGARETTE SMUGGLING

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, my questions are for the Prime Minister concerning the problems that threaten the success of the government's action plan on smuggling.

First, how does the federal government propose to get the co-operation of the eight provincial governments which currently oppose the tax reduction aspects of the program?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, we have a national program to make sure that the smuggling of cigarettes no longer exists in Canada.

Under this program we have made exactly the same offer to all provincial governments. They will decide if they want to participate, yes or no.

I said in the House that we have to proceed with a reduction in taxation at the request of the head of the RCMP. I took that advice very seriously and I hope that the premiers will look at it very seriously as well.

As everybody knows, cigarettes are smuggled everywhere into Canada, mainly in Quebec and Ontario, certainly more than in the west. There were, for example, some arrests this week in Edmonton and in B.C. and they are spreading. We want to kill the disease. We want the law to be respected by everybody in the land. I hope that the provincial governments will realize that the

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goal of the government is to have the law respected and to ensure that all citizens are treated equally.

(1425)

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a supplementary question for the Prime Minister.

Did the federal government secure, perhaps through the meetings yesterday, the active support of the leaders and people of the Mohawk communities of Akwesasne, Kanesatake and Kahnawake for its action plan on smuggling?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, they met yesterday with the Solicitor General and they had a very good meeting. They are preoccupied, like everyone in the House, with making sure that the law is respected. They want us to work with them in order to make sure that the law will be respected by everyone without causing too much of a problem on the reserves. It is complicated for them because they are there and it is happening in front of their eyes. They just want to make sure that the results are good for us and for them.

I think that the meeting they had yesterday with the minister was very good. This afternoon the minister will meet with Ovide Mercredi. I know that many leaders have been in touch with the Minister of Indian Affairs and Northern Development. We are consulting with them. We have to make sure that smuggling is eliminated in every part of Canada. They know and understand that.

Mr. Preston Manning (Calgary Southwest): Mr. Speaker, I have a further supplementary question for the Prime Minister. I thank him for the straightforward answers.

The third question is on the health dimension. Does the government acknowledge that the credibility of the minister and the ministry of health has been damaged by the acquiescence to the reduction of taxes on cigarettes and how does the government propose to restore the credibility of that department, particularly with the provincial governments?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, there is no need to restore the credibility of a minister who is not afraid to tell the truth to other ministers and to the people of Canada.

* * *

[Translation]

TAXATION

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, the Liberal government is presently contemplating, as the previous government did, no longer allowing as a federal tax deduction taxes paid on total payroll. The Conseil du patronat du Québec says that this would unduly penalize small and medium-

sized businesses, especially in Quebec where they are more labour intensive than their Canadian counterparts.

My question is for the Minister of Finance. Is the minister prepared to remove this threat that has been hanging over businesses, especially the Quebec small business sector, for over two years?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, when I was opposition critic—I think I had the seat over there, as Mr. Tremblay recalls—I made exactly the same speech, except a little better perhaps!

As you know, we are a full year away from January 1995 and already, we are consulting with the Government of Quebec and other provincial governments. Our discussions will certainly yield results before long.

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I can also remember Mr. Wilson speaking just like the hon. minister.

Mr. Gauthier (Roberval): He sat over there.

Mr. Bouchard: He sat over there.

Mr. Loubier: Exactly. Mr. Speaker, if the minister and all the members of his government are serious about job creation and economic growth, if the members opposite are serious about the red book they keep brandishing, in other words if they are not putting on an act, can the minister assure all small and medium-sized businesses once and for all, especially the Quebec small business sector, that he will allow them to claim the payroll tax when calculating their income tax?

Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec): Mr. Speaker, first of all, that is not the problem. The problem facing small business is really linked to the taxes levied by governments, be they federal or provincial, on total payroll because this kills jobs. That is why we are so intent on having discussions with the Government of Quebec as well as other provincial governments to reduce, if not eliminate, these taxes which are real job killers. That is our answer and I must say that I think it is far better than the one Mr. Wilson gave back then.

* * *

[English]

CIGARETTE SMUGGLING

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, my question is for the Prime Minister.

The Prime Minister has suggested that one-third of cigarettes in Ontario are contraband. The decision to cut tobacco taxes has only moved cigarette smuggling from the St. Lawrence River to the Ottawa River. Now that the Prime Minister has a plan to stop

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the north–south flow, what plan does he have to stop the east–west flow?

(1430)

[*Translation*]

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I believe that Quebec is still part of Canada.

[*English*]

I know they will remain in Canada for a long time.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint–Maurice): We have reduced the level of taxation according to a plan that is available to all governments in Canada. The plan is a national one to cure a national problem. I did not go into hiding. I said that it was not an easy decision. But smuggling will stop in Canada. If the provinces feel that they do not have a problem, they will have to live with the consequences of their actions. Every government was aware of what we wanted to do. We were all losing billions of dollars as a result of that. Therefore this government decided to act.

If other governments want to avoid the problem, fine, they will have to accept the consequences. They were elected and they have to do their job. It will be up to the people of Ontario to ask the question of the Ontario government, not me.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, I have a supplementary question for the Prime Minister.

My constituency office in Barrie has received many calls, all in opposition to the plan, not one in support. Surely every member in Ontario has received similar calls. Will the Prime Minister allow the 97 government members from Ontario to publicly express the feelings of their constituents?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, I am very surprised because in Hamilton, which includes the riding of the Deputy Prime Minister, a poll was taken yesterday by a radio station and it was three to one in favour of this plan.

Some hon. members: Hear, hear.

Mr. Chrétien (Saint–Maurice): The Minister of National Revenue was on a radio show yesterday talking with citizens in the riding of the leader of the Reform Party and there were many in favour of the federal plan.

* * *

[*Translation*]

BOSNIA

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, at its meeting yesterday, the NATO Council followed the United States' initiative and issued an ultimatum giving Serbian forces ten days to withdraw their weapons from around Sarajevo.

The Prime Minister told us yesterday that this ultimatum had spurred the belligerents to negotiate a ceasefire with UN military authorities in Sarajevo.

Could the Prime Minister give us an update on the situation in Sarajevo today and tell us if the ceasefire is being observed and if the Serbs have in fact started to withdraw their artillery from around Sarajevo?

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I am pleased to tell the hon. member that, according to the latest information we have, the plan put forward and approved at yesterday's NATO meeting is being honoured by all parties. We have every reason to believe that this initiative will lead to a lasting peace, as everyone hopes.

Mr. Jean–Marc Jacob (Charlesbourg): Mr. Speaker, could the Prime Minister tell us whether he has received concrete guarantees of the safety of peacekeepers before supporting the proposal that the Americans made at the NATO council for air strikes?

Right Hon. Jean Chrétien (Prime Minister): Mr. Speaker, it is obvious that troops involved in such a situation are always exposed to danger. No one can promise you absolute safety for everyone in Bosnia at the moment.

As the Minister of Foreign Affairs was saying, our decision had immediate results, in that the plan for a demilitarized zone around Sarajevo appears to be succeeding.

As far as Canadian troops are concerned, the withdrawal process has already started in Srebrenica. A number of Dutch soldiers have already arrived to relieve Canadian soldiers who are scheduled to leave this Bosnian hot spot by the end of the month.

* * *

(1435)

[*English*]

CIGARETTE SMUGGLING

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, my question is for the Minister of National Revenue.

Yesterday I learned that many customs ports with limited hours of operation will now be open 24 hours a day as part of the government's action plan on smuggling. An hour later I learned that this decision was largely reversed.

Could the minister explain to the House why such a massive program was instituted without first informing all MPs and why these ill–conceived plans were just as abruptly cancelled?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, I am somewhat troubled by the question because there was no cancellation of any great plan. In fact all information has been provided to members of Parliament and through a press

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conference attended by myself, the Solicitor General and the Minister of Health.

We have I think been very open in questions in the House as the leader of the Reform Party, given the information on finances for example, will agree with.

As far as the particulars of these 24-hour openings at border points, we have a system in Canada, which I will have to explain to the member, whereby some border crossing points are kept open for 8 hours, some for 16 hours and some are kept open around the clock, 24 hours. We are doubling the numbers in certain areas of the country. We are increasing the hours of certain border crossing points from 16 hours to 24 hours and some from 8 hours to 24 hours. There is no question of this plan having been put in place and then suddenly reversed or interrupted.

Naturally we are targeting certain areas on the basis of intelligence we received from the RCMP, the Quebec provincial police, the Ontario provincial police and municipal police forces. We are also using the American police forces information nets. There will be times when we will divert resources from one particular area to the other.

If the hon. member thinks I am going to broadcast in advance to assist the smuggling groups, he is wrong.

The Speaker: The Chair is well aware that certain questions demand a little more time to answer, but I would ask, if at all possible, that the answer be as brief as the question.

Mr. Jim Gouk (Kootenay West—Revelstoke): Mr. Speaker, it seems that some customs houses are also not aware of the plans of the revenue minister. As I understand it, the American customs are not co-operating in this action plan and are closing at their regular hours.

Could the minister explain the rationale of how opening up the Canadian side of customs was supposed to end smuggling in the first place?

Hon. David Anderson (Minister of National Revenue): Mr. Speaker, we have very close, friendly and useful relations with the American customs service and the other forces in the United States, as I have indicated. Certainly it is true that they are not following the considerable increase in personnel and hours of service that we are instituting on the Canadian side.

We know full well that there will be some border crossing points where the American post is closed and ours remains open. We know full well that in certain of these border crossing places normally they are left completely without any personnel at all in the off hours, the hours when the posts are not open.

We expect there will be occasions where there will be a Canadian post staffed and there will be an American post which is not staffed. It is nothing surprising to myself or to the customs officers. They are disciplined uniformed people who do an

excellent job. I am surprised the hon. member suggests they are wasting their time.

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[*Translation*]

FEDERAL GRANTS

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, my question is for the Prime Minister of Canada. In 1982, when he was a senior minister in the Trudeau cabinet, the present Prime Minister authorized payment of a \$4.5 million grant from the Laprade fund, which he managed, to his friend the former Liberal member for my riding, Mr. Antonio Yanakis, to build a sports centre which would have been used by taxpayers in the Saint-Gabriel-de-Brandon area.

Could the Prime Minister tell us whether, before granting this money, he secured sufficient guarantees to ensure that public funds—

The Speaker: Order, please. I apologize to the member for interrupting him, but his question is inappropriate since it pertains to things which happened in a previous Parliament. I would ask the member to restrict his questions to events connected with the present Parliament.

(1440)

Mr. Bellehumeur: Mr. Speaker, what I wanted the Prime Minister to say is whether, in those days, a \$4.5 million grant—

The Speaker: Order, please.

* * *

THE ENVIRONMENT

Mr. Julian Reed (Halton—Peel): My question is for the Minister of the Environment. Members of this House and many Canadians are now aware that ethanol is increasingly being used, across North America, as a gasoline additive for automobiles.

[*English*]

Would the minister explain to the House what measures are being taken to advance the use of ethanol across Canada and consequently enhance the quality of our environment as well as the bank accounts of our farmers?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, in light of the status report on global warming the Canadian government, and in particular the Ministry of the Environment, is going to accelerate its action in getting rid of sulphur dioxide emissions. It is very clear there may be a role for ethanol to play in that area.

I am very pleased that through the initiative of members of the House, in particular the new member for Lambton—Middlesex and the member for Halton—Peel and other members, it will be the first order of business of the committee on the environment

to look at how we can make ethanol work for Canadians in an environmentally friendly way.

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BOSNIA—HERCEGOVINA

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, my question is for the Minister of National Defence.

As the world watches, the tension in Bosnia increases and the senseless horrors continue unabated. Now the threat of air strikes poses a very real danger to our troops. In light of this new threat, Canada has been seeking guarantees from NATO that will safeguard Canadian troops currently deployed in the former Yugoslavia. I would ask what are those guarantees?

Hon. David Michael Collette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I do not want to be impolite to the hon. member, but I think that question was answered very fully by the Prime Minister a few minutes ago.

Mrs. Jan Brown (Calgary Southeast): Mr. Speaker, I have a supplementary question for the Minister of National Defence. This past week we read yet again of our troops being humiliated and threatened with violence and forced to surrender their weapons.

Given what we have just heard today of Canadian soldiers being disarmed by the belligerents, how can the minister now guarantee their safety?

Hon. David Michael Collette (Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, this question is part of the far-reaching question of whether we renew our commitment in the former Yugoslavian republics.

That decision will be taken by cabinet in due course before the April deadline.

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[Translation]

CANADIAN HEMOPHILIA SOCIETY

Mrs. Pauline Picard (Drummond): Mr. Speaker, my question is for the Minister of Health.

On January 28, the current government informed the Canadian Hemophilia Society that it would pay for only 75 hours of advice by legal counsel before the beginning of the hearings on the issue of tainted blood. On February 3, the minister stated: "As you know, we are very concerned by this issue, but the system which was set up, namely the appointment of a judge and the allocation of funds, had been decided by the previous government".

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How can the minister explain the answer she gave last week, knowing full well that she herself had authorized, on January 28, the subsidy about which the Canadian Hemophilia Society is complaining?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I will have to check, but the requests for additional funds are under consideration by the appropriate officials. I am not the one who will make the decision and I am not the one who appointed Judge Krever or who initiated the process. I am sorry if the member has been told otherwise, but the decision was not mine.

(1445)

Mrs. Pauline Picard (Drummond): Mr. Speaker, I have a supplementary question. Now that the minister knows that she is responsible for that issue, can she undertake to give the Canadian Hemophilia Society the necessary financial support so that it can fully participate in the inquiry on the issue of tainted blood? Otherwise we will have to conclude that the government does not want to get to the bottom of this.

[English]

Hon. Diane Marleau (Minister of Health): Mr. Speaker, let me explain again. This is a judicial inquiry. It is an arm's length inquiry.

Now that it has all been set, they have made a request for additional funds. It is not up to this minister to make a decision about additional funds for this judicial inquiry.

* * *

KEMANO PROJECT

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, my question is for the Prime Minister and concerns the Kemano completion project.

The Minister of Fisheries and Oceans has told the House that the government was not going to prejudice the outcome of the current B.C. Utilities Commission hearings. He has also said in the press that the project cannot be stopped. Yesterday the Minister of National Revenue told the press that cancelling the Kemano completion project is within the realm of possibility.

Will the Prime Minister tell the House who speaks officially for the government on the Kemano completion project?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, the position of the Government of Canada could not be more clear.

We have been consistent with the commitment given by the Prime Minister during the last election campaign which was to participate fully in the B.C. Utilities Commission review which is now under way.

We will make available literally tens of thousands of pages of evidence, make available scientists and officials to appear and

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give testimony. That is the position of the government. We will not prejudge the outcome of that testimony.

What I have said, what the government acknowledges and what has been acknowledged by the Government of British Columbia is that under the terms of the 1987 settlement agreement, terms with which the member opposite is very familiar, all parties are bound to this project.

That is what I have said. That is the policy of the Government of Canada and that remains the policy of the Government of Canada.

Mr. Dick Harris (Prince George—Bulkley Valley): Mr. Speaker, my supplementary question is for the Prime Minister.

The Minister of Fisheries and Oceans has acknowledged that the Alcan deal was put together behind closed doors. Will the Prime Minister begin to listen to the very people who will be impacted by this project and commit to the House that a full judicial and environmental review of this project will be taken by his government?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I have just been given a copy of correspondence written to the editor of the Prince George *Citizen* by my colleague, the minister of revenue, in which he says:

Let me repeat that I thought I had made clear to the reporter that the federal government is not considering cancellation of the Kemano completion project.

(b) The federal government will co-operate fully with them and make all of its information and technical personnel available to the British Columbia Utilities Commission currently looking into this issue.

I am surprised that the member, in advance of hearing a single bit of evidence or testimony, of examining tens of thousands of pages of testimony and of allowing a free, open and transparent process to take place, wants to prejudge the whole exercise and call for a royal commission. I wish the member would be consistent in his questioning.

* * *

FISHERIES

Mrs. Dianne Brushett (Cumberland—Colchester): Mr. Speaker, in the 1994 groundfish management plan the government placed a ban on fishing southern Grand Banks 3NO cod.

In addition to other closures this means a moratorium on almost every cod stock in Canadian waters. The effects on Atlantic communities have been devastating.

Meanwhile, the Northwest Atlantic Fisheries Organization has allotted a total allowance catch of 6,000 tonnes of 3NO cod for 1994. This means that vessels from other countries will be

catching this straddling stock outside Canada's 200-mile limit while Canadian—

(1450)

Some hon. members: Question.

The Speaker: I am sure the hon. member is coming to her question.

Mrs. Brushett: My question is: What is the government going to do about this blatant injustice?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, I thank the member for Cumberland—Colchester for her excellent question. I assure her the government shares the emotions she feels with respect to the importance of putting an end to foreign overfishing of endangered cod stocks. I am sure all members of the House share the member's concern about this important issue.

I tell the member that on Tuesday and Wednesday of next week representatives of all the Atlantic provincial governments, all the fishermen's organizations, associations and unions, and all the sectoral industry groups under the leadership of the national government will be in Brussels to make the case before a special committee of the NAFO scientific council, asking for a review of NAFO's decision to fish endangered 3NO cod.

We are going to point out that we have stopped fishing here. We have stopped even the food fishery here. Canada can do no more for conservation and the EC can do no less than to stop the fishery of 3NO cod.

* * *

[Translation]

ROYAL CANADIAN MOUNTED POLICE

Mr. Michel Gauthier (Roberval): Mr. Speaker, for nearly three weeks now, the Prime Minister and the Solicitor General have been telling us every chance they get that the law in Canada applies everywhere, and equally to everyone.

Moreover, in his action plan, the Prime Minister states that there will be no "no go" zones and that the law will be enforced everywhere in Canada.

My question for the Solicitor General is the following: Can he tell us, yes or no, whether he gave assurances to Mohawk leaders during their meeting yesterday that the RCMP would intervene on native reserves?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, my answer is very clear. Yes, I did.

Mr. Michel Gauthier (Roberval): Mr. Speaker, how can the Solicitor General say that he gave his assurances to Mohawk leaders that the RCMP would not intervene?

Mr. Bouchard: He said the opposite.

Mr. Gauthier (Roberval): Could the Solicitor General explain why each time a meeting is held with Mohawk leaders, his version, the government's version, of what transpired always differs from that of the Mohawk leaders? Why is this?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I cannot speak for the Mohawk leaders, but I can speak for myself and for the government. I stated clearly to the Mohawk leaders and to the media that the RCMP was not planning to carry out any massive, military style raids. I did, however, say very clearly that if the RCMP felt such action was necessary, it would step in and investigate to ensure that the law is obeyed everywhere in this country.

* * *

[English]

JUSTICE

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

Convicted killer and murderer Colin Joseph Wood, a non-citizen, recently escaped from a minimum security prison. Mr. Wood has a long history of various crimes such as drug trafficking, arson, fraud, break-ins, weapons charges as well as the brutal murder of Karen Ann Thomson.

Could the Solicitor General explain to Canadians why such a serious offender was in a minimum security prison in the first place?

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, I have asked Correctional Service Canada to give me a full report on this matter. It is one I am concerned about, as is the hon. member. The police are continuing to investigate the escape. I will be happy to provide the hon. member with further information in due course.

Mr. Myron Thompson (Wild Rose): Mr. Speaker, I appreciate that answer.

As well, could the minister explain to Canadian officials and as a matter of fact to all Canadians why were we not able to kick Mr. Wood, a non-resident, out of Canada after he committed his first serious offence?

(1455)

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, it is the policy that somebody convicted of an offence should serve the sentence imposed by law.

If my hon. friend's proposal was followed we would be doing the convicted foreigner a favour by getting him out of the

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country before he paid the penalty required by Canadian law. I do not know why the Reform Party would want that to happen if its members are interested in law and order.

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[Translation]

BEER INDUSTRY

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

Once more, the federal government is under great pressure from the United States to force the opening of our markets to American products. In the case of beer, the United States demand the reopening of the agreement reached last August. They want new concessions from Canada, especially the removal of a minimum price on the beer sold in Quebec.

Is it the position of the federal government to ask provinces to make new concessions in order to meet the demands of the United States, even though the practices of the provinces have been found to be in agreement with the GATT rules?

[English]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, I stated the other day in response to a similar question that it is the federal government's policy to support the provincial governments in their GATT consistent beer practices. We shall continue to do so.

We have worked with the Government of Quebec both in Washington and in Canada to ensure that its policy of a minimal price for beer in Quebec is recognized as GATT consistent and therefore compatible with the NAFTA.

[Translation]

Mr. Yves Rocheleau (Trois-Rivières): On a supplementary, Mr. Speaker. Could the minister tell us what he is waiting for to demand that the United States also open their markets to Canadian beer, something they stubbornly refuse to do?

[English]

Hon. Roy MacLaren (Minister for International Trade): Mr. Speaker, in the jargon of the trade world, the member opposite has raised "beer one" and now he raises "beer two". Beer two is a problem with the United States. The GATT has ruled in Canada's favour in that instance. The United States has responded by saying this is largely a matter for states to implement. However the states have been tardy in so doing. In fact only one of a total of 39 has so far taken any action.

There are also, however, some actions that the U.S. federal government itself should be taking. We have been pressing the United States hard and consistently to implement the GATT panel ruling.

*Oral Questions***TAXATION**

Mr. Keith Martin (Esquimalt—Juan de Fuca): Mr. Speaker, my question is for the Minister of Health.

As a physician I am appalled at the reduction of taxes on tobacco. It is going to create a quarter of a million new smokers among children. One-half of those children are going to die of smoking related illnesses and each of those children is going to have up to 20 years knocked off his or her lifespan.

Given the cost of the number one deterrent to young would be smokers, does she support her government's decision to reduce tobacco taxes?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I support my government's decision 100 per cent. It is a balanced and comprehensive plan. It is the toughest anti-smoking package anywhere in the world.

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BOSNIA—HERCEGOVINA

Mr. Ted McWhinney (Vancouver Quadra): Mr. Speaker, my question is for the Minister of Foreign Affairs.

Given the sustained failure of United Nations and western European diplomatic efforts to end the armed conflict in Bosnia—Hercegovina, will the minister consider utilizing the provisions of the Treaty of St. Germain—en—Laye, which created Yugoslavia in 1919 and of which Canada is a full legal party, to ensure a peaceful solution to state secession problems in Yugoslavia, including in addition to Bosnia—Hercegovina, the Skopje region?

(1500)

Hon. André Ouellet (Minister of Foreign Affairs): Mr. Speaker, I thank the hon. member for his suggestion. I think he based his question on the premise that the efforts of the UN and NATO will not be successful.

Obviously we are hoping the decision taken yesterday will lead to a peaceful solution, but if it fails I certainly will consider very carefully the element of le traité de Saint—Germain—en—Laye.

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HEALTH CARE

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, my question is for the Minister of Health.

The Minister of Health has refused to stand up for the health of Canadians by supporting the lowering of taxes on cigarettes. Today in newspapers across the country we see ads by the Distillers Association of Canada to lower the taxes on alcohol. The minister is aware of the costs and health care risks of alcoholism in our society.

Will the minister stand up today in this House and say that she is against the lowering of taxes on alcohol, as she did not do on cigarettes, clearly another health care risk?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, some very tough actions had to be taken. We are pleased at having been tough enough in showing the kind of leadership Canadians wanted on the matter of contraband. We are convinced the networks will be destroyed as a result of the measures and the decisions we have taken.

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*[Translation]***RAILWAYS**

Mr. Gilbert Fillion (Chicoutimi): Mr. Speaker, my question is for the Minister of Transport.

The Canadian government has decided to pull up railroad tracks without knowing what the impact of such a measure would be and has penalized eastern Canada more than the other regions by allowing branch lines to be abandoned. Half of the railway network in eastern Canada will be either closed or sold off by 1995.

Would the minister tell us if he will support the merger of Canadian National and Canadian Pacific Railways in eastern Canada?

Hon. Douglas Young (Minister of Transport): Mr. Speaker, I thank my colleague for his question.

This week, I had the opportunity to meet the executive officers of Canadian National and Canadian Pacific Railways and, as my hon. friend surely knows, they have already indicated that they plan to propose a merger project to the Canadian government. We have received no proposal yet. We are still waiting for such a proposal and when it comes, in due time, we will make a decision.

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*[English]***PRIVILEGE**

OKANAGAN CENTRE CONSTITUENCY ASSOCIATION

Mr. Svend J. Robinson (Burnaby—Kingsway): Mr. Speaker, I gave notice of a question of privilege this morning to Your Honour with respect to certain statements involving the hon. member for Okanagan Centre and a quotation from Adolf Hitler.

However I did hear the statement that was made during the period for statements under Standing Order 31. If I might just seek clarification, if the hon. member was indeed extending an apology for these deeply offensive comments certainly I do not intend to pursue the question of privilege, but I would seek clarification from the hon. member.

The Speaker: In the view of the Chair the hon. member did make a statement dissociating himself from this type of statement. I think it is quite clear, subject perhaps to my reviewing

Hansard, but from my perspective here I did hear a definite dissociation and therefore I would conclude an apology of sorts.

Mr. Robinson: Mr. Speaker, with respect, an apology of sorts is not good enough. An apology to all those who were offended by this is what is necessary and I ask the member for that apology.

The Speaker: In my view it was an apology and I accept it as such on behalf of the House.

(1505)

PRAYERS

Mrs. Elsie Wayne (Saint John): Mr. Speaker, the tradition of the House dating back to before Confederation is that each day opens with a prayer. I am deeply disturbed and appalled that the House committee on procedure has begun to reconsider the reciting of the prayer at the opening of the daily sitting and the removal of the word God from the prayer.

The Speaker: Order. I would take this perhaps as a point of debate. As I understand it the committee is still seized with this matter, but nothing has come to me at this point and I would be willing to wait for a report from the committee that is studying the matter.

* * *

POINTS OF ORDER

STATEMENTS BY MEMBERS

Mr. Bill Blaikie (Winnipeg Transcona): Mr. Speaker, I would like to raise a procedural point with respect to my statement.

As far as I am concerned the matter regarding the member for Okanagan Centre is settled. I took particular care in my statement—and I know members of the Reform Party did not like it—to refer to the Reform Party of Canada and not to the individual member.

I have been in the House for many years and the NDP has been attacked repeatedly. It has always been in order to criticize political parties. In my opinion I should not have been ruled out of order.

The Speaker: I will take the words of my learned colleague under advisement, and if I find in my decision on it I have been perhaps a little quick off the mark I will come back and so state in the House. I will have a look at *Hansard* myself.

* * *

[Translation]

BUSINESS OF THE HOUSE

Mr. Michel Gauthier (Roberval): Mr. Speaker, in keeping with tradition, I would like to ask the government House leader

Routine Proceedings

to tell us what is planned for the balance of the week and the beginning of next week.

[English]

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada): Mr. Speaker, today, as we know, is an opposition day with a motion proposed by the Bloc Quebecois. Tomorrow there will be an opposition day with a motion proposed by the Reform Party.

On Monday we will deal with Bill C-9 and the amendments to the Income Tax Act. If second reading of that bill is completed we will begin second reading of Bill C-8, dealing with the right of peace officers to use a deadly force.

On Tuesday we will call the resolution regarding the Northumberland Strait Crossing. Wednesday will be another opposition day.

With respect to Thursday, I understand that if the Minister of National Defence proposes a motion to refer a review of defence policy to a special joint committee of the House and the other place, there would be a disposition in the House that the motion would pass after one day of debate. If that is the case I will be happy to have the debate take place Thursday of next week.

* * *

WAYS AND MEANS

NOTICE OF MOTION

Hon. Douglas Peters (Secretary of State (International Financial Institutions)): Mr. Speaker, pursuant to Standing Order 83(1), I wish to table a notice of a ways and means motion respecting the Excise Tax Act, and I ask that an order of the day be designated to debate the motion.

Mr. Milliken: Mr. Speaker, I would seek unanimous consent of the House to revert to presenting reports by standing and special committees.

The Speaker: Is the House agreed?

Some hon. members: Agreed.

ROUTINE PROCEEDINGS

(1510)

[English]

COMMITTEES OF THE HOUSE

PROCEDURE AND HOUSE AFFAIRS

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I am pleased to present to the House the third report of the Standing Committee on Procedure and House Affairs. The report provides the list of associate members of standing committees.

Supply

If the House gives its consent, I propose to move concurrence in the report immediately. In view of the length of the report, I would ask that we dispense with the reading of the report.

The Speaker: Is there unanimous consent?

Some hon. members: Agreed.

Mr. Milliken: Mr. Speaker, I move that the third report of the Standing Committee on Procedure and House Affairs presented to the House earlier this day be concurred in.

(Motion agreed to.)

GOVERNMENT ORDERS

[*Translation*]

SUPPLY

ALLOTTED DAY—GOVERNMENT SPENDING

The House resumed consideration of the motion.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal): Mr. Speaker, last year, this government campaigned in favour of greater control of public expenditures. That is to say that we deeply share the concerns before the House today. Too many people, across the country, believe that our present fiscal woes are caused only by indiscriminate spending on the part of too many civil servants who have nothing better to do than to waste taxpayers' money.

It is indeed the underlying feeling which prompted the present debate. This debate is aimed at striking a special committee of the House with a mandate to examine public expenditures, in light of the report of the Auditor General of Canada, and overlap between federal and provincial government programs. Such a committee is already in existence. It is called the House Standing Committee on Public Accounts.

Moreover, I will remind the members that each standing committee of the House has the right to examine the expenditures of the department it reviews. To establish a new committee to assess this government's management would duplicate the work already done through other mechanisms at our disposal for our job as public fund watchdogs.

On this side of the House, we think that what Canadians need instead is fundamental reforms that would go much further. This government promised it would keep its promises. If, today, we were to eliminate all the civil service positions across the country, and at the same time their operating budgets and all of their benefits, the government would only save \$19 billion this year. The deficit for this year would still be around \$25 billion.

Therefore, those who tell people that this is the way to get rid of the deficit are not telling the whole truth. The only way to solve this problem is to conduct an in-depth review of the roles and responsibilities of the federal machinery with a view to giving this country a government able to meet the challenges of the next century. That is what we committed ourselves to doing during the election campaign and in the red book, and that is I took the jump into politics.

[*English*]

Canadians have high expectations of the House. They are demanding that all their levels of government work together to better serve the interests of citizens and taxpayers.

Over the years governments in Canada have lost this client centred focus. Collectively they have promised more than they could deliver and delivered more than they could afford. Programs and services have often been poorly co-ordinated and public services have been used inefficiently. Inefficiency is a luxury that no government can afford any more.

(1515)

Too often in the past intergovernmental debate has been characterized by acrimony, entrenched positions and grandstanding. Relations between Canadians and their governments have become cumbersome and confusing.

We were elected to effect change. We will respond to the demands of Canadians for client centred government.

[*Translation*]

In future, reforms will mean that a person coming to a federal civil servant will be evaluated, and served according to his or her needs.

[*English*]

In the speech from the throne we committed ourselves to work vigorously to ensure that federalism meets the needs of Canadians by clarifying the federal government's responsibilities in relation to other orders of government. This is the way to eliminate overlap and duplication and to find better ways of providing services that represent the best value for taxpayers' dollars and respond to the real needs of Canadians.

We intend to work in partnership with the provinces to refocus government programs and services. We want to provide public services that do not work at cross purposes. We want to get beyond the kind of relationship that is built on obstinacy and narrow mindedness. We want to find a new equilibrium in which the roles and responsibilities of each level of government are more sensibly and reasonably aligned with their competence and financial and human resources.

Our first ministers at their December 21 meeting made a commitment to co-operatively eliminate overlap and duplication. The Prime Minister has given me the responsibility of working with other orders of government to help improve the climate of federal-provincial relations. Our goal is to build a

strong, united country. I have had exchanges with premiers and territorial leaders to start that process.

To move ahead we will develop a framework within which the process of discussions and negotiations with the provinces can take place. We will identify the essential functions of the federal government of the future, taking into account changing circumstances and priorities.

We want to identify those responsibilities which need to be maintained at the federal level in order to protect the overall national interest and the integrity of the state, as well as those which can best be performed by other levels of government.

We will look for a process to move federal-provincial discussions away from the recrimination and bickering which has too often been seen in the past. Our goal is to reinvent the process of negotiation with the provinces so that it is more productive, so that there is less arguing over turf and more emphasis on solving problems in the interests of citizens.

We want to develop a citizen centred approach to federal-provincial relations. We also want government that is accessible and responsive to citizens' interests and needs. This government recognizes that debt passed from one level of government to another simply winds up on the same shoulders, those of the taxpayers.

In the past there has been a tendency to lose sight of the interests of the public which both governments are elected to serve. Our guiding objective will not be simply disentanglement which suggests the reordering and sorting out of what exists now, but service enhancement which suggests collaborative citizen focused initiatives in which the interests of taxpayers and service recipients are the priority.

In so doing, the federal government is prepared to be flexible, to accommodate different priorities and circumstances, to experiment and innovate and to build on best practices which have been used in different provinces.

Our process will be transparent and open and we welcome ideas and suggestions.

[*Translation*]

The members of this House have the heavy responsibility, during this last decade of the 20th century, to ensure that the bold wager taken up by the Fathers of Confederation is not lost. This responsibility is ours not only with respect to future generations in our own country but also, and probably even more importantly, toward the have nots of the planet who envy our

Supply

political and social stability, as well as our prosperity, in spite of our present economic and budget difficulties.

(1520)

[*English*]

Although serious, these difficulties are not insurmountable. If we in this blessed land cannot resolve our differences and overcome problems which to the majority of the world's people seem at worst manageable then there is not much hope for humanity.

We have been elected by the people of Canada to address our common problems and, above all, to make the very best of our tremendous economic and human resources. We will not shrink from that challenge. We will keep our commitment.

[*Translation*]

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I have been listening to the President of the Treasury Board and I am filled with dismay. This is the President of the Treasury Board speaking, the man in charge of preparing the government's expenditure budget. That is incredible. I can see that a minister would consider that \$200,000 or so is not too much to pay to go and deliver a speech, that there is no fat to cut in the federal administration, that nobody here is spending too much.

While you are at it, why produce government brochures in only fourteen colours? That is not enough. Why not twenty-two? That is incredible. I suppose that the President of the Treasury Board also considers that there is nothing wrong with building an embassy in Japan on a lot worth over \$1 billion. That is normal I suppose. To have three embassies in Brussels, one for NATO, one for Belgium and one for the European Economic Community, with three ambassador's residences and three reception halls, one each, that is normal too, I suppose.

Now, he is telling us that, to solve the problem, we will refocus the activity of the federal and provincial governments. What has the government done in that area these past few years? Quite simply, the federal government has been pulling out. In that area as in health and post-secondary education, it is pulling out but keeping the tax money. That is incredible. Now the buzz word is refocussing, before that it was harmonizing.

Apparently the federal government will pull out from a number of areas, but it will continue to raise taxes, of course. That is how the federal deficit first got enormous. Then we saw the public finance crisis gradually spread to all the provinces. It is obvious that the federal government has been passing the buck to the provinces for years. As the minister just announced, instead of dealing with the problem from this end, by streamlining and restructuring the federal administration, he will keep passing the buck without making tax transfers. Is that what we are to understand?

Supply

Mr. Massé: Mr. Speaker, it is with a great deal of humility that I accept the representations made by the opposition member, especially since he referred to me as the President of the Treasury Board when I am in fact the President of the Privy Council. But then again, such mistakes are to be expected from a new member of the House.

I would like to say that a member of the opposition should certainly be a lot more responsible. It is possible for some, including the media, to quote exaggerated figures, but when the Auditor General himself indicates in a press release that the figures used are erroneous and exaggerated, I would hope that opposition members would themselves be responsible enough to use the data correctly.

Also, if the member feels that giving a presentation to more than 400 Canadian studies professors from American universities is not making good use of public money, that I suggest that he take a look at what has been going on in recent years. He will realize that, in fact, this is a very useful initiative for the Canadian government. I also want to point out that a number of staunch separatists were at that conference and tried to influence the audience.

(1525)

Such personal remarks should not be part of the debate. The important thing is to look at the evolution of governments' roles. The reality is that the federal and provincial governments have less money available to them. It must also be noted that, in recent years, management and information technologies have evolved sufficiently to warrant a readjustment of governments' roles.

In order to solve our current budget and tax problems we will have to redefine federal and provincial responsibilities. Similarly, our economic problems will persist unless the federal government makes the effort of redefining the roles and responsibilities which are incumbent upon it and which it can assume. And we will not succeed either if the provinces do not undertake the same exercise.

The problem is no longer one of jurisdiction. It is more a matter of redefining the responsibilities of the state. By this I mean not only the things which the state can do better than the private sector, but also the fiscal responsibilities which it can delegate.

Consequently, the important thing is not to see if jurisdictions can be improved but to fundamentally review the roles which governments must fulfil with the money they have.

Mr. Tremblay (Rosemont): Mr. Speaker, I apologize for mistaking the President of the Privy Council for the President of the Treasury Board. I can understand why the Prime Minister did

not give the responsibility of Treasury Board to the hon. member.

Mr. Duhamel: You should apologize for making those remarks—

[English]

Mr. Mike Scott (Skeena): Mr. Speaker, as this is my first opportunity to speak in the House I would like to begin by congratulating you on your election to the Chair. I would also like to thank my constituents for giving me the opportunity to represent them. I pledge to them I will do the best I can to take that responsibility seriously for the next term.

The motion the Bloc Québécois has placed on the Order Paper is an issue which the Reform Party has been talking about for many years. We are very much aware of the heavy cost to Canadian taxpayers caused by duplication and overlap among various federal departments as well as between Ottawa and the provinces. We do however have some concerns with the Bloc's proposed solutions.

The Reform Party's deficit elimination strategy, known as the zero in three plan, outlines a saving of approximately \$500 million to the federal government by eliminating these redundancies, particularly in natural resource sectors such as agriculture, forestry, mining and energy. We have calculated these savings by examining government accounts available to the public. We therefore question what is the intent of the Bloc in proposing this special committee to do the same thing.

Is this motion designed to revisit the constitutional relationship between the federal government and the provinces? We are somewhat confused as to where the Bloc is headed with this motion and are concerned that it is heading toward a new round of federal-provincial power bargaining.

I would like to speak for a few moments on this subject. The Reform Party has been on record for many years supporting a clearer division of powers between the federal government and the provinces.

Indeed our blue sheet, which outlines the complete platform we campaigned on last fall, expressly calls for the elimination, duplication and overlap between the two levels of government. Specifically our blue sheet states:

The Reform Party supports a re-examination and re-establishment of a clear division of powers between the constitutional levels of government. Legislative authority should rest with the level most able to effectively govern in each area, with a bias to decentralization in cases of uncertainty.

(1530)

Furthermore we are convinced that for future constitutional negotiations to be successful we must move away from first ministers' constitutional conferences of the type that produced Meech Lake and Charlottetown and endorse a bottom up process of public consensus building.

We must seek to develop democratic, populist based mechanisms which would allow rank and file Canadians to participate in the process. In light of the fact that any fundamental change in federal-provincial relationships would by definition require constitutional amendments, and recognizing that a vast majority of Canadians have no desire for this at this time, I question why our friends in the Bloc are raising the issue. Canadians are in no mood for another round of constitutional deal making, particularly when government deficits and debt are seriously undermining the ability of our economy to perform.

While we agree with the general thrust of the motion before us, we do not see how the issue of federal-provincial jurisdictions can be effectively dealt with without revisiting the Constitution for which there is currently little or no consensus.

I would like to remind members of the Bloc that we have a very constructive set of specific proposals for constitutional reform which incorporate proposals to restructure federal-provincial jurisdictions in a manner we think will be attractive to all provinces, including Quebec.

I extend a sincere invitation to members of the Bloc and all members of the House to carefully examine Reform's written policy position on constitutional reform. The concerns which have led to the introduction of this motion before us today are specifically addressed in that position paper.

We believe that the entrenchment of private property rights and reform of the Senate are also very important to Canadians, as important as redefining federal-provincial relationships. This is because these elements define basic relationships between individuals and governments and underline regional fairness within Confederation.

The right to own private property without fear of being deprived thereof is a fundamental cornerstone of a free market economy and is ultimately the true test of a real democracy. Yet we have not embraced this principle to date.

An effective Senate, democratically elected on the basis of representation by region rather than population, would ensure the interests of all Canadians were protected from the tyranny of the majority, a way to ensure that Canadians would not have to endure another national energy program.

These issues are very important to many Canadians, and we think they deserve equal standing in future constitutional negotiations. However, Canadians have little desire to revisit the Constitution at this time. Until there is a clear consensus to proceed with constitutional renewal, Reformers are committed to advocate and support constructive change outside constitu-

Supply

tional discussions. That is what Canadians want and need and that is what they have told us to do.

I understand the frustration of the Bloc Quebecois at the waste of taxpayers' money due to duplication and overlap of government services. I further believe that the turf wars fought by competing bureaucracies are in large part responsible for much of the tension between Quebec and the federal government. I can assure the House that Quebec is not alone in its resentment. The solution in the long run is a decentralization of powers.

Meanwhile we should all be aware of the cost of duplication and overlap. We urge the government to move to eliminate it in a manner consistent with my earlier statement within the framework of an existing Constitution. It is my understanding that the public accounts committee has the ability to scrutinize all spending programs.

Once again I say that although I generally agree with the Bloc Quebecois' intent with this motion I question why we need to create a special committee to cover ground which an existing committee has the ability to cover.

In concluding my remarks, I would like to say that I agree with the Bloc Quebecois' concern over the waste of taxpayers' money, but I believe that this motion comes close to striking at the heart of our Constitution. The Reform Party supports the position that our Constitution should be reformed and that Confederation should be maintained. It can only be maintained by a clear commitment to Canada as one nation in which the demands and aspirations of all the regions are entitled to equal status in constitutional negotiations and political debate.

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, first I want to congratulate my colleague on his initial address in the House. I have just a few brief questions. They are very serious ones on which I would like his reaction.

(1535)

The suggestion was made that the Bloc Quebecois wanted to further its own personal agenda which is in a sense the separation, not in the real sense of separation, of Quebec from Canada through constitutional wrangling and that may be one option it is pursuing. One never knows. Obviously the kind of dedication Bloc members show toward that objective is sometimes rather obsessive.

Is there not another possibility that it was their intent to attempt to embarrass the government by suggesting it is not being done and there is no mechanism for doing it? I would like my hon. colleague to consider that possibility and give me his reaction to it.

Supply

Does my colleague and his party make a distinction between the concepts of overlap and duplication? I do. To me overlap is simply some overlapping of something similar, but duplication is completely the same.

Finally, I have not heard anyone talk about the possible overlap and duplication among the different levels of governments, federal, provincial and municipal. In Manitoba we have a real problem in the social assistance field within the levels of government. Within the federal government I am told there may be as many as a dozen or more departments involved in education and related things.

Mr. Scott (Skeena): Mr. Speaker, I thank the member opposite for his question. First of all I cannot comment on the motivations for the Bloc Quebecois to bring this motion forward. I really do not know what the intent was. All I can say is that was my reaction in reviewing it and that is what prompted my engagement in the debate today.

As far as the difference between duplication and overlap, they both cost taxpayers money. We are concerned about getting at the issue of the economics of it as opposed to defining what the difference is between duplication and overlap. They both are inefficient and they both cost taxpayers money. That is the angle we want to attack it from. There does need to be discussions among various levels of government concerning duplication and overlap and there clearly is a good case for that.

[*Translation*]

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I would like to explain something to the hon. member from the Reform Party. Our party is asking for a special committee to examine public expenditures while the minister is worried about duplication since there already is a public accounts committee. I understand his question, but the committee on public accounts is responsible for assessing the legality of public expenditures. Did the government respect this or that enabling act in incurring expenditures? A committee or commission, whatever we want to call it, as proposed by my party, would look at the morality of certain public expenditures.

Some embassies have paid \$490 for waste containers; it is certainly not illegal to buy waste containers but the \$490 price tag is questionable. That is why we want to strike this committee, to get the Canadian budget in better shape.

[*English*]

Mr. Scott (Skeena): Mr. Speaker, I thank the member for his statement and his question.

Certainly the issue of government spending in total is very important to the Reform Party and we intend to examine all government spending. We have been doing that and we advocate

that in the future to see how we can reduce spending and create efficiency.

When the member talks about an embassy buying a trash can for \$490 he is right on the mark. However, I do not see what that has to do with duplication and overlap of government services. Quite honestly that is a separate issue. It is one that is very important to us as well and we intend to pursue it.

(1540)

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I rise today to speak to the motion brought forward by the Bloc Quebecois dealing with the same subject the Reform Party of Canada has been talking about for some time now.

I am happy to see that the Bloc is in accord with us in suggesting we take a closer look at government expenditures. I think we laud their motive, if not their specifics in proposing this all-party special committee to examine government finances.

The nation knows how concerned the Reform Party is about government spending in general. In saying a few words to the House today I want to touch upon one of the most important aspects of the control of government spending. I am sure most of the members here today are frugal people who want to save all they can for the taxpayer and would gladly make sacrifices to make sure that it is done.

There is a story told that President Lyndon Johnson used to walk around the White House turning off the lights at night in an effort to save a few dollars for the treasury. It is almost comical when we think of the size of the U.S. government and such a small measure he was taking. The President experienced frustration because he had little direct control over government expenditures.

In exactly the same way the expenditures which are directly controlled by any individual member here in the House are very small indeed in comparison with the vast amount of money expended daily by the federal government.

Who then actually spends this money? I want to speak today about the role of the civil service in government spending. The civil servant is the gatekeeper of the federal treasury. The money government spends is disbursed by civil servants who make hundreds of thousands of decisions every day about the smallest details of government spending. Whether it is a public servant deciding upon a loan to the private business sector or a UI agent deciding a question of entitlement, the billions that pour forth from our taxpayers must all pour through this plethora of civil servants.

Although a great percentage of government payments are statutory obligations, even these obligatory payments involve an element of discretion over which the public service exercises a large amount of control. I just cited the example of the UI

agent who must pay what the client is entitled to, yet that agent also has some latitude to decide exactly what amount of entitlement will be offered.

I want to make a very important statement. If the public service does not change its discretionary behaviour members of Parliament will be almost powerless to effect real substantial change in government spending. It will be as frustrating as trying to trim our budget by walking around the House of Commons turning out the lights.

How can the House of Commons affect this discretionary behaviour of the civil servant? There is a way. The Auditor General did touch on it in his report and I want to expand on it for a moment today.

Public Service 2000 was an initiative begun by the former government in 1989. Its goals were noble: to streamline the public service; to make it more service oriented and responsive to the needs of the public; to combine certain functions of departments to improve efficiency; and to foster a better attitude among civil servants.

Five years later what do we find? We do not really know for sure. Annual progress reports were supposed to be submitted to the Prime Minister, but that has just not happened. In fact there has been only one report submitted since 1989 and this shows two really big problems. One is a lack of political will to force these reports and a lack of motivation on the part of the civil service to submit them. Perhaps we are not surprised at the lack of political will, especially in times past, but it is unfortunate that we cannot expect the civil servants to submit these reports as the government initially required.

When I look at the origins of the PS 2000 initiative I am not at all surprised to see reform proceeding at a snail's pace. Ten task forces made up of high ranking civil servants together plotted the major objectives of the PS 2000 program and presented the plan to the politicians of the day.

I am not in any way attempting to cast any kind of bad light upon our good civil servants. They are dedicated, well qualified and well intentioned. However one can hardly expect those who have spent their entire careers in the service to effect serious change that would cause real disruptions to that service. Each civil servant on those committees had an unconscious vested interest in maintaining the status quo even though everyone agreed we urgently needed change. What is missing from the Public Service 2000 is a check and balance mechanism that would guarantee results.

What concrete results have we achieved to date? Not having many of the required reports in place we are not really sure but the Auditor General does give us some ideas. Mostly the Auditor General talks about an improved attitude in the public service.

Supply

Good feelings are all very nice but when we look at the cruel hard numbers what do we see?

(1545)

According to Statistics Canada we see that we still employ a total of 413,000 civil servants. We paid \$19 billion last year in wages and salaries, up from \$17 billion in 1992. When we come to the line that affects every taxpayer in the country daily, the bottom line is that PS 2000 has had virtually no effect on the civil service.

According to the Auditor General, many top level bureaucrats are disillusioned with PS 2000. I will quote a few excerpts from his report:

Some of the executives we met wonder whether PS 2000 was dead, and we detected an atmosphere of scepticism and cynicism surrounding the renewal initiative—Several witnesses emphasized that the changes—would be difficult and time-consuming to implement—Inconsistency is perceived between some of the principles of PS 2000 and other initiatives, including downsizing and operating budget cuts.

This is exactly what the system needs. Why then has PS 2000 been ineffective? It is because the organizational structure in charge of it, the civil service, automatically protects its own position. It is called the survival instinct. I guess we are all guilty of it. There is nothing wrong with it, but in this case the instinct does not serve the public interest.

As leaders in the House of Commons we are charged with the responsibility of leading the civil service, not the other way around. The civil service is not a democratic institution. It is a group of people hired by us to do the work we have mandated it to do. The civil service has no implicit desire to change itself. That mandate for change is the awesome responsibility of every member of Parliament today. Members in past Houses have abdicated that responsibility for over a decade now. That is why we are suffering some of these problems today.

It is time for the House of Commons to take charge of spending in this country. It is time for elected members to begin to control the public service. Let me list a few broad general principles that will guide this. I take my lead from the positive changes which have been made in other Commonwealth countries, especially in New Zealand.

First, the mandate for change in the service must emanate from this House of Commons. The idea of the civil service reforming itself will never work and I do not think we should be under any illusion that it will.

Second, civil servants must have incentives to make the necessary changes. Put deputy ministers and other senior executives on contract like they did in New Zealand. Give them authority to make changes and things will happen because the incentive will be there.

Third, we need to require concrete results. If departments do not achieve measurable performance objectives laid out by the House of Commons, contracts should not be renewed. If in-

Supply

centives do not hasten change then something even tougher may have to be required.

Something needs to be done. We appreciate the general direction of the Bloc Québécois, but that direction needs to become even more specific. If we give the direction to the public accounts committee as was mentioned earlier, it is within its means to check on this and to make sure it comes to fruition. I honestly believe that civil servants acting frugally can effect many of the changes all of us in this House are looking forward to.

I urge all members of the House to set aside their party politics when it comes to this sort of thing and ensure that changes to the civil service come mandated from the House and not the other way around.

[*Translation*]

Mr. Philippe Paré (Louis-Hébert): Mr. Speaker, I agree with some of what the hon. member for Fraser Valley East said.

I think he is quite right that we in this country and this Parliament lack political will. I also think that he is right when he says that public servants may not be sensitive enough to the need for a new attitude to public spending.

I will give an example to illustrate what I am saying. Recently, in answer to a question raised in this House, the Minister of Transport said that his department was re-evaluating air traffic control. In my riding, they are preparing to close a radar control room that employs some fifteen people. When these employees are moved to the regional centre, they will each be entitled to a \$10,000 increase simply because their employment classification changes.

(1550)

Second, the department recognizes that this move will cost between \$4 and \$5 million. This is all being done in a time of extreme economic hardship. We make speeches, but when the time comes to act, it is as if we could not apply the brakes. If the existing mechanisms like the Public Accounts Committee were considered to be effective, the Bloc would be satisfied. But be assured that the Bloc does not want to get into constitutional discussions; that is not its purpose at all, but rather to try to find a new way, because all the others have proven to be ineffective.

[*English*]

Mr. Strahl: Mr. Speaker, it is good we have a few points we agree on. I appreciate that.

Since the public accounts committee is generally chaired by a member of the opposition party and especially since it holds that chair it can set the direction and the tone of the public accounts committee. The direction and the agenda given to that committee could well effect the changes I was looking for, changes that

have measurable results that are reportable to the House. I believe that is the way to do it.

Since the Bloc Québécois holds that chair it has a perfect opportunity to make sure that is made as public as possible. Changes could be initiated if it takes that and demands results, demands accountability and demands measurable performance. I think it could be done through the public accounts committee.

Mrs. Brenda Chamberlain (Guelph—Wellington): Mr. Speaker, to the member for Fraser Valley East I say I do not disagree with a lot of things that were said. However I do have some areas I would like clarified. The member talked about improved attitude and changes of direction.

When we investigate why the attitudes are not good, if we take that premise, it is fair enough to say that sometimes our public servants have portrayed that attitude. There has been a past history from the House that has really fostered that and I get fairly concerned when the member talks about contracts not being renewed. I would hope that would not be the sledge hammer he would be attempting to use in this new government. That is really a wrong direction. It goes back to when the Conservatives talked about issuing all of our public servants running shoes if they did not like the way things were done. That is really wrong.

It is very important that we in some way start to change direction, change attitudes, talk about a monitoring program. That would be a good thing; also putting a strong strategic plan in place. I believe that we are part of that process.

I wonder if I could have a bit of clarification on the contract renewal.

Mr. Strahl: Mr. Speaker, I was fairly specific. I am talking now about the deputy minister level. By and large our civil servants are good, dedicated people even at the deputy minister level.

The problem is that the people at the low end of the scale who deliver the services are generally the whipping boys for lack of action at the top, and I include the House of Commons in that.

Where I would like to see this contract idea is at the deputy minister level at which it is said: "You in essence are the CEO of this department and we need to see some measurable results and if you cannot deliver them to us then you are part of the problem, not part of the solution".

Ms. Roseanne Skoke (Central Nova): Mr. Speaker, I will be sharing my time with the member for Kitchener.

I rise to speak on the motion put before the House today by the hon. member for Kamouraska—Rivière-du-Loup, a motion that seeks to create a special committee of the House to examine the expenditures of the government, to consult extensively and openly with the people of Canada and to recommend decisive

action to reduce the cost of overlap between federal and provincial programs.

Through this motion the hon. member has touched upon issues which this government supports.

(1555)

They are: first, ensuring that this House has the means and opportunity to examine and debate those matters that are a priority to all Canadians; second, that government be open and accessible to everyone; third, that government spend as efficiently and effectively as possible in the service of the nation's interests.

These issues are not in contention. However, the disagreement and contention with this motion lies with the creation of a new committee of the House to duplicate the role of the public accounts committee at an added cost to taxpayers.

To support my opposition to this motion my remarks today will focus on the nature of the government's expenditures, what we spend now and the vital importance of spending this money more effectively to ensure a more stable and brighter economic future.

The government stated in the speech from the throne that it will pursue the fiscal discipline necessary for sustained economic growth. As well, the government attaches the highest priority on job creation and economic growth in the short term and the long term. These two objectives work hand in hand. Growth and jobs will enhance government revenues and reduce spending on unemployment insurance and welfare. Fiscal discipline to contain the deficit will create confidence and growth.

At the same time, it is known that a number of government programs and tax expenditures, some of which have been identified by the Auditor General, are inefficient, poorly managed or driven for purely political reasons.

Just as we as a government are proposing new measures to grow the economy, programs will be examined extensively with the objective of reducing waste and inefficiency and promoting economic growth.

So far the government has acted decisively on both fronts. The \$5.8 billion helicopter program was an initiative that was too expensive given the government's fiscal situation and was cancelled.

To stimulate the economic activity and create jobs, an agreement has been reached with provincial and territorial governments for a \$6 billion joint federal-provincial-municipal infrastructure program. These are important steps that send a real message to members of this House that this government means to keep its commitments to Canadians.

Most of us have wondered from time to time where all the money goes that government spends. It should be known that the

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Government of Canada's budgetary expenditures from April 1, 1992 to March 31, 1993 were \$161.9 billion. Of this, \$41.9 billion, 26 per cent, was spent on direct income support payments for individual Canadians. Almost half, \$19.1 billion, went to supporting our elderly, and \$19 billion of the remainder went to support the unemployed through the unemployment insurance program.

Public debt charges totalled \$39.4 billion. Transfers to other levels of government through such programs as equalization, the Canada Assistance Plan and established programs financing amounted to \$28.8 billion.

Defence spending was \$11 billion. The operations of government providing services such as law enforcement, air traffic control, weather forecasting and health services to Indian and Inuit peoples cost \$19.8 billion.

Crown corporations required expenditures of \$6.2 billion. Direct federal government support for international aid was \$2.8 billion.

For those members not keeping track of these numbers on their pocket calculators, it should be noted that the total of all these expenditures subtracted from the total budget leaves a remainder of \$12 billion. This spending supports programs for industrial and regional development, job creation and training, support for our farmers and fishermen, science and technology and assistance to our students.

This 7 per cent of federal government spending should be viewed as Canada's investment fund. Used wisely it can stimulate growth, create jobs, develop knowledge and new technologies, and invest in the enterprising potential of our country and its people.

(1600)

Most important, effective and efficient programs can help prepare Canadians for the economic environment of the future.

During this time of economic globalization, the days when Canada's wealth was measured only by its natural resources, capital and a protected domestic market are now gone.

Globalization is the growing trend in the international economy. It is a reality. Globalization refers to the ability to make the components of products wherever in the world their production is cheapest and transport them efficiently.

It means that with cheaper transportation and computer based information and communications, the world is becoming smaller and competition is fiercer than ever before.

High productivity will be the only route to high incomes in such an economy. Canadians must prepare to be successful in the modern economy in which success will be determined by the knowledge, education and skills of our Canadian people.

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Governments have a responsibility to help in the transition to the new economy or to be left to cope with intractable unemployment and the needs of citizens with declining incomes.

As outlined in the speech from the throne, this government intends to pursue an active program for the growing economy, focusing on small and medium sized businesses as the engine for longer term job creation.

The government will work with financial institutions to improve access to capital for small business. A Canada investment fund will be created to help innovative leading edge technology firms to obtain the long term capital they need. A Canadian technology network will be created to improve the diffusion of technology and innovation.

The government will encourage technology partnerships between Canadian universities, research institutions and the private sector. The government will also implement a Canadian strategy for an information highway. The government will promote better training for the managers of small businesses and greater access to strategic information on new marketing opportunities. The government will work with the provinces to reduce the regulatory and paper burden on small businesses and to streamline the delivery of these programs.

Competing successfully in the emerging global economy will also require an investment in our own people. The government will work in partnership with the provinces and the private sector to help young people better prepare for the transition from school to the work place.

It will propose measures to improve job training as well as the literacy skills of Canadians with funding for the national literacy program restored to its original level.

I acknowledge that many of the initiatives aforementioned will require the government to act in partnership with provinces to be fully successful. This can be an advantage for these initiatives rather than a hindrance.

The government has shown through the infrastructure program that governments acting together can make advances that would be beyond the capacity of any one level of government working alone.

The challenges facing us as we adapt to economic globalization will require co-operation among governments in designing and delivering programs. Our task is to ensure that they are the right programs, effective and efficient, and that the government's spending is effective and efficient. Anything less jeopardizes our future as Canadians and our future as a country.

Mr. John English (Parliamentary Secretary to President of the Queen's Privy Council for Canada and Minister of Intergovernmental Affairs): Mr. Speaker, the motion we are

discussing today reflects the fact that many Canadians are concerned that governments are inefficient, unresponsive and too costly.

It is not simply Canadians who are concerned. Australians, Britons, Americans and Germans are now looking at government and those same kinds of complaints.

This government has decided in light of these concerns that the time has come for decisive action. In the speech from the throne it was said it will be the policy of the government to seek to clarify the federal government's responsibilities in relation to other orders of government, to eliminate overlap and duplication and to find better ways to provide services so that they represent the best value for taxpayers' dollars and respond to the real needs of people.

At the first minister's meeting on December 21, 1993 the first ministers agreed to give priority to efforts to improve the efficiency of the federation. In this regard, in responding to comments made earlier by the member for Fraser Valley East, PS 2000 to which he referred has in fact one progress report and another progress report is being prepared. The responsibility for renewal of the public service, as he indicated, is the responsibility of the government and of course the members of the House. I welcome his remark that he does believe that civil servants acting effectively can carry out the mandate under PS 2000 with the direction of course being given by the government.

(1605)

The shared commitment to change which emerged from the first ministers meeting is evidence of a flexible adaptable federal system, one that is based on sound principles and offers both long-term stability and the capacity to evolve. That evolution can come through reasoned discussion as needs and priorities change.

To meet these ends the Minister of Intergovernmental Affairs has written to the premiers and to territorial government leaders to launch the process of eliminating overlap and duplication as is suggested in the motion today. The overlap, duplication and delivery of federal and provincial government programs and services is of major importance to this government.

The process being undertaken aims to, first, clarify federal-provincial roles and responsibilities to ensure that limited public resources are used to provide necessary services in an efficient way; second, to ensure public service activities facilitate economic investment and growth; and, third, to redesign programs and services to achieve more efficient delivery and greater client orientation. This morning the member for Ottawa West talked in a very fascinating way about changes that are coming in the area of telecommunications that offers such prospects as 24-hour service.

In implementing this process the government will, one, establish constructive partnerships with provincial governments; two, use federal-provincial administrative agreements to provide Canadians with efficient responsive programs and services; and, three, utilize both bilateral and multilateral negotiations to obtain timely results and ensure maximum flexibility. Those negotiations are going on constantly. Finally, we work to ensure that the negotiation process is transparent to all participants; that is, based on equality of treatment and sound public policy objectives.

The government then is entering this process with an open mind and is prepared to be flexible in accommodating provincial needs and priorities.

We recognize that in many areas provinces have developed the best practices and that the federal government has much to learn from them and we are following in our negotiations with the provinces a path where we are looking at their programs to consider which are most effective in that regard.

Therefore we are prepared to consider, one, what level of government is best suited to delivering a certain service or program. As I said before, we are open-minded in this regard. We are furthermore considering how to make policies and programs more effective and affordable and more accessible to clients. As the minister said earlier today, the goal is service enhancement above all else.

In terms of the flexibility about which I spoke earlier we want to be flexible in developing common objectives and in choosing issues for negotiations. These will be done item by item, province by province, department by department. We will conduct negotiations bilaterally if necessary and multilaterally if it is possible, again depending upon particular needs.

We will where possible use pilot projects such as the New Brunswick works project which was referred to earlier by the member for Peterborough. That project offers real hope we believe in the area of employment training and social services reform.

All of these initiatives we believe demonstrate important features of our federation, ones that are the envy of many other nations. It is especially gratifying in an age where disputes between governments are an every day occurrence that our leaders, provincial and federal, have agreed to set aside differences and search together for solutions that are in the best interest of the public.

In that regard, Mr. Bruce Doern, a student of governmental reform in England, Australia, New Zealand and most recently Canada, has written about the experience over the last two decades and I would like to bring attention to his comments:

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What the full experience of the last two decades perhaps shows most of all is the need to reduce ideological blinkers and be much more selective about which functional and organizational aspects of government are efficiency and democracy enhancing—and which are reducing.

A thinking view of the State is far more important to Canadians than an ideological one that simply bashes bureaucracy and government or attacks market-based approaches as a form of ritual sport.

(1610)

It is not a time for ritual sports of that type, it is a time to work together in service enhancement and making government work.

In terms of the PS 2000 report, a progress report as I have said is being produced. We are comparing what is being done here as the Auditor General did in his report. We find that in many ways we have not kept up. It is true the previous government did not. However in comparing our progress with that of the United States, in fact in the terms of the re-invent government agenda of Vice President Gore, one finds in that agenda that we have done many of the things he is calling for in the United States.

The federal government views the reduction of overlap and duplication as called for in this motion as a win-win situation for governments and for taxpayers. It will render programs more affordable and thus sustainable over time while providing Canadians with the best service possible within the limits of available resources.

Mr. Chuck Strahl (Fraser Valley East): Mr. Speaker, I appreciated the comments, especially when the member was specific about relating some of the things I was concerned about in my presentation.

I wonder if the member has any more details as to when the PS 2000 report will be tabled in the House.

Mr. English: Mr. Speaker, there is one progress report already which the member has probably seen. It was given to some members of your party a couple of days ago. Two members of your party asked for that report.

The second report is being prepared now. It has been slowed down by the election and the events in between. It is in almost final draft form, but I can check that. It is one that compares what we are doing with what is being done in other countries. I refer the member of course to the Auditor General's comments which make those comparisons as well.

In terms of the whole business of renewing the public service and looking at these questions, it is being given active consideration.

The Deputy Speaker: I might make the point here that we all make this mistake, and I do too, of not addressing remarks through the Chair. I think the parliamentary secretary used the expression your or you twice in two sentences. Once per paragraph at least, please.

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[Translation]

Mr. Michel Bellehumeur (Berthier—Montcalm): Mr. Speaker, every year, the report of the Auditor General of Canada is tabled in the House of Commons. The report is in the news for the first few weeks, but then interest wanes, so that for all practical purposes, the Auditor General's report sits gathering dust on the shelves in government departments.

However, I see many items in this report that could be followed up and would help the government improve its policies in a number of areas.

Instead of engaging in pre-budgetary window dressing, the Liberal government would do well to examine and memorize the annual horror stories in the Auditor General's reports and rectify these situations immediately.

As you know, in Quebec and Canada, whether the Liberals or the Conservatives are in power, we are facing a financial situation that is very bleak. I think we should realize this when we look at Canada's finances.

Especially in a federation or a confederation, and I think some time my hon. friends opposite, my Canadian friends, will have to explain the difference between these two terms, because some Liberals have been asking Bloc members about the difference between separation and sovereignty for Quebec. I think they ought to realize that what Quebec wants is sovereignty and decide what the terms federation and Confederation mean, because it is rather confusing. Canadians, and especially Quebecers, tend to confuse these terms.

(1615)

In any case, I was saying that the government should act on the recommendations of the Auditor General if it really wants to put its financial house in order. However, that may be wishful thinking. There are aspects to this nice, shiny, federal system on the verge of bankruptcy which are faintly ridiculous, and I mean ridiculous, and I will explain why.

Goodies have to be handed out to support our precious and costly Canadian unity. I found one of these ridiculous aspects when I looked at the Auditor General's reports for the past few years. My example only concerns the portfolio for which I was appointed official critic, the Department of the Solicitor General of Canada.

In Canada, national generosity as an approach to RCMP expenditures is costing the federal Treasury millions of dollars. First of all, the hon. member should realize that through contractual arrangements, the RCMP provides police services in eight provinces, the two territories and 191 municipalities, except for Quebec and Ontario which do not benefit directly from all this largesse.

This means that in addition to its federal police function, the RCMP provides provincial policing for about 40 per cent of the Canadian population and municipal policing for about 20 per cent of the same population. For some Canadians, the RCMP is the only police they know. Theoretically there is nothing wrong with this, but it costs millions, and if this generous system, introduced by the Liberals and the Conservatives, contributes to the deficit, there is a problem.

Upon reading the Auditor General's report for 1992, we soon realize there is a problem with this system. The RCMP provides provincial and municipal policing at below cost as calculated by the Auditor General in his 1992 report.

Ever since the government entered into contract policing, it has been charging provinces and municipalities for RCMP services. However, as the Auditor General pointed out in his report: "The federal government has never attempted to recover the full cost of providing these services". We read this on page 532.

The federal government does not compute the real cost of these services but negotiates a cost base with the provinces. Actually, the provinces and municipalities pay only a percentage of the negotiated cost base. Usually, it is between 70 and 90 per cent of the real cost. The government uses the theoretical cost base negotiated by the parties to charge the provinces and the municipalities that benefit under the system.

The federal government is losing a lot of money with this approach. The contract signed in April 1992 is a 20-year agreement, and there is a faintly ridiculous aspect to this contract as well, because it can only be reviewed every five years and the adjustments require unanimous agreement by the parties.

The new cost base works out to about \$800 million annually, while the real cost, according to the Auditor General, is between \$900 million and \$950 million. The real cost, which represents a difference of \$100 million to \$150 million was calculated by the Auditor General according to the guidelines outlined in the Treasury Board's guide to the costing of outputs.

Still according to the Auditor General, it appears that the federal government, in this case the Department of the Solicitor General, does not include some major cost items such as departmental administration at headquarters, EDP services, office rental and certain employee benefits paid by the federal government. The list is much longer on page 533 of the Auditor General's report, which I think the government would do well to read in preparation for its upcoming budget.

As I said before, for the duration of the 20 year contract, the agreement, which is reviewed every five years, cannot be adjusted without the mutual consent of the federal government and the provinces. Generally speaking, the provinces agree to pay only those new expenses they believe are appropriate.

Supply

(1620)

The federal government receives only \$600 million or so annually for the provision by the RCMP of provincial and municipal police services which cost between \$900 and \$950 million per year. So, the balance sheet looks like this: real cost of services: \$900 to \$950 million; revenues: \$600 million; the federal government's share: between \$300 and \$350 million. Quebec's share—and I think it is important for my hon. friends opposite to hear it—is 24 per cent of the total, or between \$70 and \$90 million. That is what Quebec pays for services which it does not get, or worse still, for a service that it already pays the provincial government and the municipalities to provide. This is one blatant example of how federalism is costly to Quebec.

The federal shortfall, as I mentioned earlier, totals \$300 million annually. If we calculate on a twenty-year basis, because the agreement covers a span of twenty years, the shortfall amounts to roughly \$6 billion. In other words, Quebec taxpayers subsidize provincial and municipal police services in the other provinces, excluding Ontario of course, as I said earlier, to the tune of between \$70 and \$90 million per year, or between \$1.4 and \$1.8 billion over the term of the agreement. More than 40 per cent of Canadians receive police services that are subsidized by Quebec and Ontario residents. Some provinces benefit more than others. For instance, a large portion of British Columbia has no police force other than the national force which provides service at both the municipal and provincial levels.

In conclusion, what the Official Opposition is calling for is a committee which would examine this area and determine if overlap exists and whether a province is paying for a service it is not receiving. I think the government, if it is truly realistic and honest about what it wants to do, should go along with the Official Opposition's proposal to review, item by item, the cost of national police services. And this is only one area, one under the responsibility of the Solicitor General of Canada. If we were to look at all departments, we would see how much money the provinces, and Quebec in particular, pay out for services they do not receive.

[English]

Mr. Ovid L. Jackson (Bruce—Grey): Mr. Speaker, I want to congratulate the opposition for addressing the matter of whether or not we should set up a separate committee for finances.

I remind the hon. member that he said he was trying to eliminate duplication. The very nature of what he is proposing actually is duplication.

There is no question that the Auditor General's report is a significant document. I hope every department will use it as a

tool to try to get rid of those deficiencies as alluded to by the hon. member.

Canada is a Confederation, not a unitary state. As the member put it Canada is not a country of states that do not care for one another. Those provinces that are doing quite well assist the other provinces through equalization payments and so on. This is unique. We enjoy a good status in the world. We are respected. We enjoy a high standard of living. Our kind of democracy and our kind of government are examples for many countries.

To separate or to tear the country apart is the subliminal message coming from the members of the opposition. It is probably not a very good way. I can say that quite firmly coming from a country where independence was achieved. After independence our standard of living went down and was not as good as we thought it would be. We ended up with a great deal of enemies. We thought they were not our enemies but economically they were bigger and forced more kinds of restraints on us.

To get back to the question we are debating today, we do need to look very seriously at government records and the way it spends its money, but the mechanism is already there. We have government and opposition members to do this. That is the mechanism we should be using in order to achieve those goals.

[Translation]

Mr. Bellehumeur: Mr. Speaker, I thank the hon. member for his four questions or observations. I will start with the first one.

(1625)

What the Official Opposition is asking for is a committee which would look at where taxpayers' money goes. Quebec pays billions of dollars every year, the pretext being that it is truly getting value for its money. We have heard that tune many times from the members opposite.

I gave one very specific example of an area where Quebec pays without getting value for its money. We could look at other cases as well. If the hon. member is truly sincere about what he wants to do, he should agree to our proposal and we will get the final word. We want to know who pays and how much, where the money goes and why.

Second, the ideal thing would be for each department to examine the Auditor General's report and make it bedtime reading. Then, every night, the horror stories uncovered by the Auditor General would be recalled and efforts would be made to correct them. Of course, this is just wishful thinking. Every year, the same thing happens. If we did not talk about the Auditor General's report, no one would. The government wants it to be swept under the rug.

Third, I do not think that Canada should be held up as an example for other countries to follow, considering that in just the one small area that I mentioned, namely the national police

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force, the annual deficit is between \$300 and \$350 million. There is not a manager in the world who would be around long if he ran his business or his country in this manner.

Fourth, I do not think we should compare Canada to some of the other countries that we do. We have a clearly established democracy and clearly established social values, in Quebec as well as in Canada. We are a people, at least in so far as Quebec is concerned, who are looking not just for our fair share, but looking to become masters in our own home. Quebec has been repeating the same thing for years. Eventually, English Canada will get the message and the comparisons which you were making earlier will stop.

The Deputy Speaker: The question and comment period is over.

It is my duty, pursuant to Standing Order 38, to inform the House that the questions to be raised tonight at the time of adjournment are as follows: the hon. member for Richmond—Wolfe—National Defence; the hon. member for Laval—Est—Human Rights; the hon. member for Waterloo—Privatization; the hon. member for Frontenac—Environment; the hon. member for Roberval—Cigarette smuggling.

Mr. Benoît Sauvageau (Terrebonne): Here we are just days before the new Liberal government produces its first budget. Nothing further having come out of the proposed review of federal government expenditure, the Official Opposition has decided to make it the subject of this allotted day.

The Liberal Party said in the red book, and let me quote from their dear book: "... cynicism about public institutions, governments, politicians, and the political process is at an all-time high. If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored". I hope they remember what is written in the red book.

Did the Liberal Party think that the people would not demand transparency in government expenditure in order to regain confidence? Apparently not. The same red book states: "... give MPs a greater role in drafting legislation through House of Commons committees" and if I read correctly "these committees will also be given greater influence over government expenditures". That is what we are debating today.

Once in office, how can the Liberal Party honour this promise made in the red book other than by supporting the motion put forward by the Official Opposition? This is the first action the Liberal government could take to regain the confidence of the people.

Parliamentarians are accountable to the people, not obscure bureaucrats who develop behind closed doors measures that will apply to everybody.

We ask that the Liberal Party grasp the tools to honour their own promises, not ours but their own, and that parliamentarians devote themselves again to their primary function, which is to represent the interests of their constituents.

(1630)

In tabling his report, the Auditor General tells us implicitly that parliamentary action is needed to solve the federal government's problems. In making an annual list of horrors in the federal government, the Auditor General is telling Canadians that the federal government cannot manage its affairs responsibly as long as parliamentarians do not throw open the doors of departments and turn on the lights in the offices where decision-makers meet. The hope for budget discipline is pretty slim.

In his 1990 report, the Auditor General points out the complexity of federal-provincial relations in environmental matters. The constitution acts of 1867 and 1982 are inoperative. This is one of the most difficult sectors for dividing responsibilities among the various stakeholders.

This constitutional confusion encourages duplication such as parallel assessments, similar inspections by each level of government, and endless disputes on issues vital to our societies' development. We must accept the fact that Canadian federalism is unable to meet tomorrow's challenges.

We now know that this federalism is impossible to reform, as we tried to do with the Meech Lake and Charlottetown accords. These accords showed Quebecers that they could not, within this framework, hope to participate in building a society meeting their expectations. The environment is a perfect example of a major problem caught in jurisdictional battles that can only be resolved by a sweeping reform of our institutions, namely Quebec's sovereignty.

If environmental mismanagement was only a problem at the federal-provincial relations level, we could expect Quebec's sovereignty to be a done deal, so let us gather up our belongings and head back home to get organized.

But the federal government's involvement is so confusing that it is hard to find the department accountable to the public. This confusion is in no one's interest and the Official Opposition must act to eliminate it.

The Auditor General said that these "divisions in responsibility for environmental matters is a patchwork that makes it almost impossible to assign public accountability for safeguarding Canada's environment". In 1990, 24 federal departments had responsibilities under over 50 pieces of legislation impacting on the environment. The environment department alone had responsibilities under 36 pieces of legislation.

Supply

The St. Lawrence action plan is one example of the inter-departmental co-ordination problem at the federal level alone and not at the federal-provincial level. While Quebec and the federal government agreed on the St. Lawrence action plan, some federal departments got all tangled up in their respective areas of jurisdiction. Responsibility for financing and implementation was shared by three federal departments, namely Environment Canada, Industry, Science and Technology, and Fisheries and Oceans, with total contributions of \$84 million, \$20 million and \$6 million respectively.

The St. Lawrence action plan called for these departments to co-ordinate their activities to meet common objectives, a difficult undertaking in the federal government. The problem was that the first two departments had different objectives.

The environment department focussed on the demonstration and application of technologies meeting the immediate needs of the 50 industries involved in the action plan, while the industry department focussed on the development and application of new and improved technologies that can be marketed nationally and internationally and be eventually applicable to industries along the St. Lawrence.

The Auditor General explained that "this difference in departmental objectives and program funding mechanisms led to co-ordination problems. Although an agreement was concluded between the two departments to provide for a management structure to co-ordinate their respective programs, it proved to be ineffective". I am talking about two federal departments and not about federal-provincial agreements.

(1635)

We know that it is difficult to combine the objectives of the governments of Quebec and of Canada, we live with that, but when the confusion is within the federal government itself, the situation is downright unacceptable.

If only the federal government were satisfied to solve problems just on its turf, among its departments. But no, it feels the need to intervene and create problems on all sorts of issues with as much right as Quebec.

Environment Canada acts in almost all the 18 fields in which the Quebec Department of the Environment operates. Thus, two levels of government are acting towards the same goal of limiting industrial pollution. Because of this duplication, Quebec and Ottawa each have regulations on industrial waste from pulp and paper mills.

Pulp and paper mills are thus subject to two sets of regulations. For each company, the expenses incurred to apply these regulations are about \$100,000 a year.

I conclude by telling you that the Official Opposition has given its word to Quebecers that it would defend their interests in Ottawa until they decide on the question of sovereignty for Quebec.

Our proposal is meant to get the federal government to clean up its finances and its programs, if necessary. I repeat: its finances and its programs.

The interests of Quebecers, as well as those of Canadians, are badly served by the way the apparatus of government now operates, and a thorough study is therefore necessary.

The federal government should respect its commitments to the people as written in its famous red book, it should seize the opportunity which we in the Official Opposition are giving them and it should let parliamentarians study government operations thoroughly, and in that way we can perhaps act in the best interest of the people of Quebec and Canada and get our respective societies back on a less chaotic road.

[English]

Mr. Derek Lee (Scarborough—Rouge River): Mr. Speaker, I cannot say I disagree with the thrust of the opposition motion or with much of the member's intervention.

I cannot help but note that the substance of the motion refers to a desire for a process that would review the public accounts with reference to overlap and duplication between federal and provincial governments.

I wonder if the member could advise the House whether he or his colleagues intend to propose such a motion as this to the public accounts committee which will be chaired, as I understand it, by a member of the Official Opposition. This committee, which is charged with the very subject matter that is the substance of this motion, is free to deliberate in an open and transparent process, as all of the committees of the House do. They have the power to subpoena, if not subpoena to call for attendance and production of papers and persons and they can report to the House whenever they wish.

The entire ambit of the motion can be put to and pursued by the public accounts committee if the members of that committee so wish and I wonder if the hon. member's party is prepared to proceed in that direction.

[Translation]

Mr. Sauvageau: Mr. Speaker, first, I wish to thank the member, who does not disapprove of our motion, if I understood the interpreters correctly. If he does not disapprove, then I think he approves. I thank him.

I also think that he must make a distinction between the public accounts committee and a special committee studying all federal spending and overlap.

Supply

In talking about the public accounts committee, we must look at what it is and what it does. The committee's mandate is not to study all the spending of all departments, nor all programs or the overlap between federal and provincial programs. We want to keep the role of the public accounts committee as it is. Since this morning, we have heard that answer or that statement from the other side of the House. Before thinking of broadening the public accounts committee, they should have looked at what it is and what it does. They would have clearly seen that it is not on the public accounts committee that we have to examine federal government spending item by item or to consider overlapping programs. Let us keep the public accounts committee as it is and set up a special committee.

(1640)

I will again quote the red book or remind hon. members opposite that they promised it in their red book and we are giving them a chance to keep their promise. Instead of being recalcitrant to our requests, they should thank us. That is what I wanted to say.

[English]

Mr. Sarkis Assadourian (Don Valley North): Mr. Speaker, I will be very brief.

First of all I appreciate the fact that the hon. member read the red book. I do not know why he says that he is giving us the opportunity to defend the book. He needs the opportunity to defend his presence in this room.

I am puzzled and hurt when the issue is addressed and they say Quebec and Canada. One has to be straightforward as a Canadian. Either one is for Quebec or one is for Canada. One is most welcome to be in Canada and we want you to be in Canada—

The Deputy Speaker: I am sorry to interrupt. Please put your remarks through the Chair. That diffuses things a little bit.

Mr. Assadourian: Mr. Speaker, the member has to be fair and tell us whether he is for the separation of Quebec. Is he for sovereignty? Or is he for independence?

I have been here for the last three months. I am confused where the opposition stands on this issue. Those members keep mentioning the same issue over and over again.

[Translation]

Mr. Sauvageau: Mr. Speaker, unfortunately, I have only two minutes left. I could meet with the member to explain the position of Quebec sovereigntists to him; unfortunately, unless and until Quebec is a sovereign country, we are part of Canada. Again, unfortunately, I am disappointed to see a Canadian sitting in Parliament who does not know Quebec's position.

Personally I am very disappointed and sorry too about the position of my colleague on the other side of the House.

I would also have liked him to speak on the subject of today's debate, namely an item-by-item committee. We are also showing our good will, in that as long as we are in this House, we would like it to work as well as possible. I invite him to discuss it with me after, because in two minutes, I cannot explain Quebec's position to him, but I will be pleased to do so.

The Deputy Speaker: I believe the Parliamentary Secretary to the Minister of the Environment will speak for 20 minutes. Am I right?

Mr. Clifford Lincoln (Parliamentary Secretary to Minister of Environment and Deputy Prime Minister): Mr. Speaker, I will be speaking 20 minutes and so will each of the members from this side who will speak after me.

I would like to start with a brief comment on the remarks made by the hon. member for Terrebonne who wanted to explain to my colleague, if he had more time, what the position of Quebec is. How arrogant of him to think that he owns Quebec's position, that the Bloc Québécois owns Quebec's position. As far as I know—

Mr. Sauvageau: I rise on a point of order, Mr. Speaker, about the speech of the hon. member opposite. The question and comment period is over. He should be making his own speech instead of commenting mine. Is that not so?

The Deputy Speaker: Members are allowed to refer to a speech that was just made. He can make a comment, and you can ask questions after his speech.

Mr. Lincoln: Mr. Speaker, if the hon. member had not been sitting in this place for such a short time, he would know that I am allowed to say whatever I want in my speech. I am sorry if that bothers him, but I will say it anyway.

What I wanted to tell the hon. member is that neither he nor his party represent the position of Quebec. As far as I know, they are not the Government of Quebec. Quebec has, as far as I know, a government which still has the right, a right that it exercises very freely, to remain in Canada.

(1645)

As far as I know, Quebecers will have to make a choice, but there are some, including myself and my colleague here, who hold views on Canadian federalism which are necessarily those of the member opposite. For example, it is certainly not right to assume that everyone in Quebec is an indépendantiste. That is definitely not what the outcome of the referendum held in 1980 leads us to conclude, and it is certainly not what Quebec will say if there is another referendum.

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To take for granted that all Quebecers want to leave the Canadian federation is to fool oneself, as some did in 1980.

Those of us on this side of the House also like to think that we represent Quebec. I spent nine years as a member of Quebec's national assembly and I have always worked hard to help my fellow citizens from Quebec, regardless of where they live, of their religion, or of their language, and I refuse to accept this notion that Bloc Quebecois members are the only ones who speak for Quebecers.

I am aware that federalism, and especially the Canadian federal system, is responsible for everything that is wrong in this world, at least according to the Bloc Quebecois members. It is always the federal government's fault. I have heard this old tune time and again. Of course we can look at the Auditor General's reports and find things which we would all like to see changed.

I remember those Auditor General's reports when I was a member of the opposition in Quebec. I remember the investment of several hundred millions in asbestos mines. Asbestos was a mineral which nobody in the world wanted and the United States were going to ban its use. I remember that. I also remember that millions of dollars were invested in Quebecair. I remember as well the investments made in that sugar refinery on the south shore. I could give you all kinds of examples where the Auditor General said to the government: "Look, a lot of bad decisions were made". This happened under Conservative and Liberal governments in Ottawa, as well as under the Parti Québécois and the Liberal governments in Quebec.

It is unfortunate that such things happen. However, we want to look forward and try to correct these mistakes. We accept criticisms, and in fact the ministers who answered questions the other day said to the Auditor General: "We accept those criticisms. We know that these things happened but we are not going to blame our government because another government was in office then. However, we recognize that things must change".

In our red book, we undertook to change things and to ensure that government administration would be a tighter and more efficient management exercise. I know that the federal system is complex. In fact, any government structure is complex. We recognize that but, at the same time, it is a system whose value has been proven. After all, our country has so far enjoyed 126 years of peace, freedom and kinship, this because French and English speaking Canadians understand each other. The problem is a political one. It is a problem which we created ourselves.

The Canadian federation is, in many ways, a model. I know that we are going through a recession. I also know that a lot of stupid decisions were made over the years, both at the federal

and provincial levels. Today, all the provinces, including Ontario, which was formerly the engine of our economy, Alberta, Quebec, and all the others, are experiencing very serious economic difficulties.

We want to try to make things more practical. In fact, we want to use this recession as an opportunity to think about what we are and what we have to do to be more effective.

(1650)

[English]

That is what we want to do. We do not want to look back and say it is the fault of the federal government, it is the fault of the Alberta government, or the Quebec government, or the Newfoundland government. We want to say: Is there a way of making this federation work better?

The whole principle and thrust of the red book is: Let us put the parochial quarrels of the past aside and behind. Let us look above and beyond. Let us find a way to work together to solve these problems rather than fighting these silly quarrels.

This hon. gentleman cites the mounted police as an example of Quebec paying more than it receives. In turn we could say in the milk industry Quebec has 48 per cent of the share of all milk distribution in Canada, much more than the share of its population. We could say in unemployment insurance Quebec receives \$1.5 billion more than its proportional share because of course its unemployment rate is proportionately higher than that of comparable provinces. We could say Quebec receives three times more from the federal treasury through the manpower training program than it invests itself: \$900 million versus \$300 million.

We can quote these figures to prove our points one way or the other. What does it prove in the end? That in a federation there has to be a system of checks and balances. Sometimes a province pays a little more here, sometimes it gains a little more there.

What would Alberta, British Columbia and Ontario say, the provinces which contribute the total share of the transfer of moneys to provinces that are in a less favourable state? What should they say?

What Canadians in general say, and in Canadians I include Quebecers because they are also Canadians and would prove that they want to be. I know they will stay in Canada. However, all Canadians say that the system is not perfect. It was not invented to be perfect. Surely we can make it more responsible, make it fairer, make it work better.

For nine years I served at the provincial level. For nine years I know there were a lot of frustrations among us because of overlap, because of duplication, because of federal legislation or rules that impeded our work. I concede this. One can say: "Fine, there is duplication, there is overlap. I am going to turn my back on it. I am going to make sure the federation works

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worse. I am going to walk out and destroy what we have created together". But there is another solution. Address it.

I was environment minister for three years. I had all kinds of discussions and debates with my federal counterpart and other provincial counterparts. Within the council of environment ministers of Canada we tried to look for solutions to delete the overlaps, to address the duplications. Duplications are still there, but it is possible to find examples in Canada where we can work together.

Recently we created an infrastructure program. Somehow all provinces without exception have joined in voluntarily. Agreements have been signed. It is an example of the three levels of government working not only efficiently but in harmony to create a system that works.

Recently the Minister of Finance met with Quebec and the other provinces regarding transfers from the federal government to the provinces. Again they worked in harmony to arrive at a common solution.

It is not always going to be harmonious. The other day the ministers of health met and certain of them had objections regarding the latest move on tobacco taxes.

(1655)

At the same time we have to look into the overall pattern and make sure that within our system we meet, we talk and we dialogue.

The minister for whom I work is sitting next to me. In May she is going to meet for the second time with other environment ministers. I know my colleague from the Bloc Québécois was citing the environment ministry and the 18 problems. Sure, there might be 18 problems. There might be 28. But the idea is that when we sit together we can harmonize our laws, our regulations and our objectives. Today we are in a recession together and we either sink or swim together. That realization is coming to pass more and more.

[*Translation*]

We have all come to the realization—be it the Government of Quebec, of Alberta, of British Columbia or the Liberal federal government—that unless we work together to reduce duplication and overlap, unless we get together and act like people who have a common goal of resolving problems, we will never get anywhere. This realization seems to have sunk in today.

Let me give a little example to my friends from the Bloc Québécois who think that nothing is working in Canada. In my region, back in the days when I was sitting at the National Assembly—14 years ago already—we had instituted quarterly meetings where all the provincial and federal members of Parliament and all the mayors of the region regularly got together to address the common problem of duplication and

overlap. There were no distinctions based on political affiliation. Well, these people have been sitting together for 14 years. We have looked into public transportation, public health and environmental problems. We look for solutions together.

Today, in that region and Sault-au-Saint-Louis, the neighbouring region, instead of waiting for a quick fix concerning manpower training programs, they have decided to work together: the federal government, the provincial government, the municipalities and the target communities.

In fact, by assuming responsibility for ourselves and coming up with practical solutions that work in the real world, we will demonstrate to our fellow citizens, wherever they live, that the federal system can work. But if anyone creates difficulties along the way or tries to throw a monkey wrench into the works, as you are trying to do, it will not work.

You are saying that the public accounts committee's mandate is not broad enough to examine all that you want to examine. The public accounts committee is under your control. The chairmanship will be yours. Just the other day, the Solicitor General stated in this House that the autonomy of House committees will be significantly enhanced. You have here a committee that you will chair, where you can examine all the public accounts of the federal government and you are arguing that it will not deal with separate departmental accounts. Look, the standard practice is that all departments are represented to defend their account statements.

I was in the opposition for four years, so I know what I am talking about. I have examined the accounts of the ministries of International Affairs, the Environment and many others in Quebec. You have full latitude to ask questions. In fact, by making all the figures available to you, the Auditor General is helping you. And your work will be transparent because we all want to be transparent. You have control over this committee. You will be quite free to examine all cases of overlap. You say that we must cut spending but you now want to create a kind of ceremonial committee in addition to the one that already exists. Use the committee you already have. Make it work. Find constructive solutions to its problems. Do not use it to make your little speeches on Canadian federalism that never lies, but rather to help make it more effective, more real, more equitable if you think it is not equitable enough.

(1700)

Our respective positions do meet in the end. What we are all pursuing is a better quality of life for ourselves and for our children. We want to become full-time citizens who can enjoy their complete freedom. My philosophy is different from yours because I think I can attain these objectives within the Canadian federation, while you think that it must be destroyed so that something new can be built. All the tools are in your hands. You have all the House committees. You have the public accounts

committee to prove, while waiting for tomorrow's dream, that your ideas count.

In conclusion, as I was saying the other day during the throne speech debate, I know that we are talking about expenditures, about public efficiency. The government I am a member of today is committed to changing things for the better. And if it does not do so, it is your job to show us the right way. At the same time, I think there is a fundamental issue underlying all this. What you are trying to do is emphasize what my colleague from Ontario pointed out earlier; you are trying to prove that Quebecers and Canadians are completely different, and never the twain shall meet.

On this side of the House, we will work honestly and most vigorously but without enmity. We may be opponents but we will never be unfriendly. The greatest tribute that you can pay to Canada is, as I stated the other day, your mere presence in this House, which all parties have graciously accepted, including the representatives of British Columbia and Alberta. However, if the situation were reversed, I wonder whether you would have been as obliging. In my view, your presence here is the best possible proof we could have of the fundamental freedoms we enjoy in Canada, of the spirit of warmth and generosity embodied in the Canadian federation.

I hope that as you go about your work, scrutinize the public accounts, examine the work of the Auditor General and take a close look at everything that does not work in the federation, you will be able to work with us to improve things, not merely for the sake of some ideology, but for the welfare of citizens who, far from worrying about ideology, want a better standard of living, a job, opportunities for young people who today are looking for work. That is the message I am getting, in both francophone and anglophone areas of my riding. Constituents are not concerned about Quebec's independence. They are worried more by the fact that if Quebec independence soon becomes the focus of discussions in a referendum, the issue will divide us, just as it divided us in 1980. It will divide families and create economic instability, something that you yourselves wanted to avoid. It will create instability—

The Deputy Speaker: Order, please. The hon. member's time is up. The hon. member for Saint-Hyacinthe—Bagot has the floor.

(1705)

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot): Mr. Speaker, I will be brief. In any case, I have often heard the hon. member for Lachine—Lac-Saint-Louis make this kind of speech before, in the distant and not so distant past. All I can say that the Bloc Quebecois is here in force with 54 members, not because people were doing us a favour but thanks to our democratic system. If

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the hon. member has no respect for democracy or for the choice of Quebecers, then he is the problem. We feel quite comfortable.

The Deputy Speaker: Order, order. As far as I know, there were no interruptions during the speech by the parliamentary secretary. On behalf of all members, I would ask that the same courtesy be extended to other speakers.

Mr. Loubier: Mr. Speaker, I said there is not a single member of the Bloc Quebecois who feels uncomfortable in this House, and I will tell you why: because Quebecers gave us a very clear mandate. And if you ask your constituents, you will find that Canadians are satisfied with our role as the Official Opposition. It is just as well we are there to monitor this government, not only on behalf of the Quebecers who elected us but also on behalf of Canadians, because otherwise you would do what you felt like doing and cause as much harm, socially and economically, as the Conservatives did before.

That being said, we may not get it right all the time, but I think that since 1980, the federalists have got it all wrong. In 1980 during the election campaign, they told Quebecers: "Vote no for renewed federalism". In 1981 we had the night of the long knives. In 1982, unilateral patriation of the Constitution. At the time, the hon. member for Lachine—Lac-Saint-Louis was a member of the Quebec National Assembly, and he voted against patriation of the Canadian Constitution, against the majority in the National Assembly. He was there, or rather his government, the government to which he belonged.

Mr. Lincoln: Mr. Speaker, I rise on a point of order. What the hon. member said is entirely incorrect. I voted for patriation of the Constitution.

The Deputy Speaker: The hon. member for Lachine—Lac-Saint-Louis may respond in a few minutes.

Mr. Loubier: Mr. Speaker, I made a minor historical mistake. Not many members voted in favour, did they?

An hon. member: Five.

Mr. Loubier: The National Assembly voted almost unanimously against unilateral patriation of the Constitution.

In 1984, the sovereigntists decided to take the "beau risque" and give the federalists another chance, like the hon. member opposite. Meech failed. Bélanger-Campeau resulted in a consensus unheard of in Quebec. The federalists responded with two years of nonsense which led us to the moment of truth. I will explain

In 1992, Quebecers voted massively against the Charlotte-town nonsense. That was the moment of truth for Quebec and Quebecers. And again on October 25 last year, they gave us a clear mandate. Why did they not vote for you? Why did they not vote massively for the Liberals? Quebecers who vote want to

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choose their option for the future, and I am sure they will chose the option of sovereignty.

I have one more important item. The Leader of the Official Opposition extended his hand in friendship when he arrived here. We intend to work very hard to improve public finances and the state of the economy in Quebec and Canada. Do you know why? Because when Quebecers choose the sovereignty option, we do not want to be stuck with an even bigger share of Canada's debt than would be the case today, and second, we certainly don't want Canadians, our friends and trading partners, to suffer as the consequences of an economic situation created by this government and its poor economic decisions.

The Deputy Speaker: I would invite the hon. members, and especially very senior members, to direct their remarks to the Chair.

Does the parliamentary secretary wish to respond?

Mr. Lincoln: Mr. Speaker, I said what I had to say. I think we should let the people be the judge.

(1710)

I do want to repeat that I think it is very sad to hear this distinction made between Canadians and Quebecers, as though we were two separate nations, two foreign nations that do not talk to each other.

As far as I know, Quebecers are Canadians. If they decide otherwise, then we will see, but so far they have decided to be Canadians. Again, I think making these distinctions between Canadians and Quebecers is a sad reflection on the current situation, where people are trying to divide a country which should be united in hard times, when we all have to work together to solve our problems. Solving problems is a joint endeavour. We must be united and work together, and I don't think the kind of distinction they are purposely making is conducive to Canadian unity.

I intend to work very hard, and I hope to be able to convince the Bloc Quebecois that working together is better than working divided.

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I feel a bit concerned and sad when I listen to the comments of the hon. member who just spoke. Unfortunately I forget which riding he is from because I met him here and there, in Chambly during the byelection of 1991, and I do not know which riding he belongs to now.

I want to ask the hon. member in what way he represents Quebecers in a more legitimate manner with 16 members from Québec sitting on the other side of the House when we are 54 on our side but we are not allowed to get our point of view across in this House.

In the 1991 byelection, he got about 7 per cent of the vote in the Chambly county. Who wins elections, the minorities or the

majority? We are 54 elected members in this House to defend our point of view. Do we still have to get on our knees before the hon. member from God knows where to ask permission to stand?

We made a proposal and submitted it to the House. If he wants to rise against it, I do not have a problem with that, but, nevertheless, he has to respect the democratic dimension of Quebecers's vote on October 25.

Mr. Lincoln: Mr. Speaker, I will not respond directly to what the member said. I think he is showing a lack of class and courtesy. I am not the member from God knows where, I am the member representing a Quebec riding of 73,000 constituents. I was elected in the same capacity as he was. I was sometimes defeated in my lifetime, these things happen, but I have accepted defeat with great magnanimity. I did not say that I always win, but I work according to my beliefs.

I would say to the member that I never said that he does not represent the majority of Quebec electors in the Canadian federation. That is obvious, his party has got 54 seats. I had said that very clearly to the member for Terrebonne, who was saying that we were talking about Quebec's position. I said the same thing as the minister of Foreign Affairs did the other day, that is that the Bloc members do not have a monopoly on talking for Quebec, that we too, even if we did not get as many votes, are also Quebecers and have a say in the matter. The present Quebec government represents a position which is not separatist and it too was elected with a majority.

That majority and minority issue saddens me. I am above all a Canadian. I do not have this problem with majority and minority, French speaking and English speaking, division and narrow-mindedness. I want to work for all my fellow citizens. I do not accept to be called a member from God knows where. I am a member representing a riding where almost 45 per cent of the people are French speaking, and they too matter in Quebec.

(1715)

Mr. Paul Mercier (Blainville—Deux-Montagnes): Mr. Speaker, in any country, when the tax rate reaches excessive levels, as is the case in Canada now, the ordinary, even traditional discontent of taxpayers towards taxation turns into resentment. And when the people learn that their hard earned money is mismanaged and wasted, such a mess transforms their resentment into frustration.

When taxpayers witness financial mismanagement in a country, there is always a threshold, a limit it would be dangerous for any government to cross.

When, in this country, people see part of the population break the law with complete impunity, they see it is necessary to act illegally to have an unreasonable tax reduced, they see that very rich people are legally exempt of income taxes while others are crushed under the tax burden, social uprising is not far. I am not saying we are there already, but I think, in spite of the infinite

patience of Quebecers and Canadians, it could very well happen. History is full of such cases.

Without going back to the beginning of times, let me remind you of an event we all know about very well. The French Revolution was triggered by nothing else but excessive taxes and the squandering of the royal court. Remember that the main point in the list of demands drawn up by the Estates-General was the existence of a privileged class which paid no taxes.

In Canada and Quebec we have our own kind of aristocracy, a class of people who pay almost no income tax. The marquesses of today are the family trusts. I do not want to get too sordid, but I suggest there is in our country, as there was in France in those days, a toiling and struggling population which is shocked by such injustice and incompetence.

Please do not misunderstand me, Mr. Speaker. Once again, I am not saying the two factors of frustration I mentioned, mismanagement and an unfair taxation system, will lead us directly to a revolution. We are two very patient nations, too wise to let the situation reach that point. In our country the individual is far from ready to attack the state, but to escape taxes, he is quite ready to hide from the system and hide his activities.

That kind of behaviour is spreading and, because of that, our government is losing control over, even knowledge of, a complete section of the economy. Civil disobedience is no longer reprovved by public opinion. What a failure, Mr. Speaker, what a decline!

Year after year, the Auditor General, without succeeding in shaking the government out of its lethargy, displays for the public, who eventually becomes blasé, damning examples of carelessness, shortsightedness and waste on the part of previous federal governments. This year takes the cake. And, to my knowledge, the Auditor General, when reviewing our finances, stays strictly within the federal jurisdiction and consequently, does not look into this generous source of administrative aberration and squandering of public funds which is the overlapping of jurisdictions.

Here is a particularly painful example of this mess, in view of its victims, old age pensioners. Let us see what the Auditor General has to say about that. This meagre pension which is, as you know, the only source of revenue for a lot of people, could be increased, without dipping into the public purse, if the \$200 million or so in overpayments were clawed back or, better yet, if they were never paid out, thanks to a better managed fund.

If, at least, old age pensioners could be heard by the government when they have a problem! But the Auditor General tells us that there are 17,000 inquiries on a waiting list and sometimes, it takes more than a year before they are answered. And that is not all. Service centres and regional offices receive 4 million

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telephone inquiries a year, but 7 million calls are either cut off or dropped by the caller, out of despair, I guess.

Overlapping and duplication of services are another source of waste and paralysis, exposed time and time again but always in vain.

(1720)

A study done by the Treasury Board of Canada in 1991 indicates that in five provinces at least there was duplication in 60 per cent of federal and provincial programs. That situation being obviously profitable to some officials, it is doubtful they would readily propose to eliminate those duplications.

As for those elected, they have ignored to date a situation which they find politically beneficial since it enhances their visibility.

I would now like to talk about duplication, particularly in Quebec. The hon. member for Joliette recently made a declaration in this place and I find it useful to repeat it. "The Bélanger-Campeau Commission has estimated that the elimination of duplication resulting from the sovereignty of Quebec would allow a saving of \$233 million in transport and communication costs. This is therefore a potentially important issue, although there is no recent study evaluating the cost of present duplications in provincial and federal programs". The hon. member went on to say that some sources estimate the total cost at close to \$3 billion. Those figures come from the Bélanger-Campeau commission whose recommendations were accepted, namely by the provincial Liberals. It was five billion according to them. This is why we ask this House to give the Auditor General, without any political partisanship, the mandate to conduct a serious and comprehensive study on duplication and overlapping in all those spending programs.

In conclusion, it is imperative that we regain the confidence of Canadians in the government's expertise and sense of justice. If not there will be no revolution but we will see the rise of an underground economy in Quebec and Canada. Tax dodging would become socially acceptable, still illegal perhaps but legitimate. Elected officials would be despised. In a word, our model democracy we pride ourselves on, and rightly so, would slowly deteriorate.

To win back the trust of Canadians, we must first have a parliamentary committee review mercilessly all public expenditures, particularly areas of unnecessary overlap between federal and provincial jurisdictions.

Second, the government must put an end to undue tax privileges for the Canadian tax aristocracy. Like the aristocracy which once caused the fall of monarchy in France, these lucky few are not only undermining our finances but are also threatening our institutions, since the public feel treated unfairly in the face of these privileges.

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Such is the double price we will have to pay, that is review of expenditures and suspension of privileges, in order to restore in the population the minimum of respect that institutions and governments should command. Without such respect, institutions are in danger.

A last word, inspired by this morning's newspapers. Put in headlines over four columns, *La Presse* states "Martin's first budget will hurt". We knew that. A lot of people are afraid the budget will hurt the have-nots, sparing the rich once again. If the awaited elimination of abuse-ridden tax shelters turns out to be nothing but a snow job, while social program cuts turn out to be too real, the resentment of taxpayers could lead to social behaviour that would make us all sorry.

[*English*]

Mr. John O'Reilly (Victoria—Haliburton): Mr. Speaker, I have a question for the member for Blainville—Deux-Montagnes.

He obviously is not aware that a member of his own party, the member for La Prairie, was appointed chair of the Standing Committee on Public Accounts this afternoon.

Is he, then, leading us to believe that a member of his own party is not capable of doing this job? If so, then he should ask for his immediate removal. As his own party now chairs the committee on public accounts, elected this afternoon, perhaps he should consult with his member for La Prairie.

[*Translation*]

Mr. Mercier: Mr. Speaker, this is at least the sixth time today that we have been told that the committee we are asking for would duplicate the work of the public accounts committee.

The committee we are calling for is an ad hoc committee with a specific time limited mandate and more power than the public accounts committee; in particular, it could look at some aspects of provincial accounting to gauge the overlap between federal and provincial authority. These two committees do not duplicate each other. One is permanent with a specific but relatively limited mission; ours has a precise mission and we want increased power for it.

(1725)

[*English*]

Mr. Jack Ramsay (Crowfoot): Mr. Speaker, I want to thank the hon. member for bringing forward those points and I want to thank the Bloc Québécois for bringing forward this motion. It points to a very serious problem, the fiscal and monetary situation that Canada is in.

We have seen successive governments plunge this country into debt to the point where the members who speak on behalf of

the Fraser Institute of Canada, which held a seminar here that many of our members attended, are suggesting we may be beyond the point of return in getting our fiscal and monetary house in order.

I want to thank the member for bringing a debate to this House that focuses to a certain degree on that issue. It is the greatest and most serious issue facing Canada today. The powers of the federal government, the provincial governments and the municipal governments to tax wealth away from the people is the greatest threat to the economic well-being of our families and individual businesses and so on that we have in this country today.

The unbridled power and the irresponsible exercise of that power as reflected in the governments of the 1970s and the 1980s and up until this time poses a very serious threat to the economic well-being of our future.

If those experts from the Fraser Institute know what they are talking about, and I believe they have put forward a very logical case, then the government should be focusing on this aspect of the crisis, and that is the economic, fiscal and monetary aspect.

We are looking at the signs of a tax revolt. We see the underground economy, cross-border shopping, and we ask ourselves why thousands of normally law-abiding citizens will buy bootleg cigarettes. These are all signs that people are simply giving up on a tax system that has burdened them to the point where they can no longer make ends meet and they are seeking illegal ways to get around it.

I would like to compliment the hon. member and ask him a specific question. He has answered my question partly but could he highlight the differences between the committee he is recommending and the existing public accounts committee. Would he respond to that please?

[*Translation*]

Mr. Mercier: Mr. Speaker, I thank the hon. member who just spoke for his approval, basically, of the motion we tabled.

Before answering him, I would like to point out that, as one of my fellow Bloc members said just now, the committee that we are calling for would meet one of the promises made by the Liberals in their red book to examine spending thoroughly. If the Reform Party agrees with our proposal, why are we arguing with each other? We all agree.

Now, to answer the question about the difference between the public accounts committee and the one that we are calling for, as I just said, this is to be a committee with a specific time-limited mandate and increased powers which would go beyond the annual auditing routine done by the public accounts committee and which would tackle a specific current situation that the hon. member said was urgent and current.

(1730)

It would be an ad hoc committee for the present situation, with increased powers to meet their objective, which, like ours and the Liberals' objective, is to track down unnecessary spending.

Mr. Osvaldo Nunez (Bourassa): Mr. Speaker, I want to explain why a special committee of the House should be set up to examine public expenditures, especially in the context of employment. The first and most obvious reason is the absolutely disastrous situation of government finances in Canada.

The second reason is the fact that the public has lost confidence in its parliamentary institutions, which is something very dangerous for democracy. Indeed, the general public, as well as the Bloc Québécois, feel that there is still some fat in the government administration.

Moreover, because more and more people live in poverty, and because the middle-class is getting poorer and poorer, the government has a moral responsibility to the public. It must have a transparent style of management, and it must also demonstrate the efficiency of its structure. In other words, the government must prove its integrity to all Canadians, regardless of their economic situation and class.

Economic growth must be accelerated and unemployment must be reduced to lighten the deficit and the national debt on a long-term basis.

I come from a working family in Chili, where unemployment and underemployment are extremely high. As a lawyer in my country, I worked for unions and for the government, mostly in labour relations.

Here, I was a servicing representative for 19 years in Quebec's labour movement. I was very active in the FTQ and the Conseil des travailleurs et travailleuses du Montréal métropolitain.

My first concern has always been employment as well as the well-being of laid off workers. I sincerely believe that every person has the right to a job which is well-paying, satisfying and compatible with his or her skills.

Through my involvement in the union movement, I often witnessed tragic events, for individuals and families, when workers would lose their job, particularly when a company would close down for good. This is even more tragic when the people affected are workers over 45 years of age who have spent their entire working life with the company. Unfortunately, the legislation, both federal and provincial, does not adequately protect the workers who are affected by mass lay-offs.

Statistics Canada said that the recession was over. However, the current economic recovery is very different from the one which followed the last recession in 1981-82, in the sense that it has taken a long time to come and it is still slow. This is mainly

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due to the refusal or the inability of federal and provincial governments to stimulate the economy and create jobs. The current financial problems of governments have more to do with increasingly insufficient revenues than with expenditures.

This insufficiency is due to the large number of unemployed people who, of course, cannot contribute and must instead get help from the state. The fact that the last recession eliminated more permanent jobs than the previous one in the eighties says something about the magnitude of the present economic dislocation.

The deterioration of the job situation has adversely affected every sector and region, as well as every category of workers.

(1735)

However, it is the manufacturing sector that was hardest hit, and very early on, by the recession. A total of 248,000 jobs in this sector have been lost across Canada. What a disaster! In the space of four years, one in every six jobs disappeared.

The recession has affected full-time jobs the most. The only net gains in this sector have been in the part-time field. Job losses have been concentrated in Canada's two main industrial provinces, namely Quebec and Ontario.

Quebec Premier Daniel Johnson has just wrapped up a trip to Europe. During his trip, he announced investments in the order of \$180 million which he claimed would create some 350 jobs. However, since he was sworn in as premier last January 11, roughly 1,800 jobs have either been lost in Quebec or have been targeted for elimination.

Virtually every region has been affected, either by a plant closure, by staff cutbacks or by relocations. Plant closures have been the heaviest in the Eastern Townships. The closure of the Asea Brown Boveri kettle plant was just announced. A total of 340 workers will lose their jobs.

I personally came to the aid of ABB, Asea Brown Boveri, employees in Saint-Jean-sur-Richelieu when another plant shut down two years ago. I also helped the workers at the Philips plant in Saint-Laurent when a decision to close the facility put more than 1,000 people out of work.

The Montreal region has also been hard hit. Proctor and Gamble is closing and laying off 100 employees in Pointe-Claire. Dominion Textile is shutting down its dyeing plant and as a result, 105 jobs will disappear.

On the cultural scene, the *Musée pour rire* is closing its doors after receiving several million dollars in public funds. As a result, 40 people have been laid off.

In my own riding of Bourassa which includes the municipality of Montréal-Nord, the unemployment rate is hovering around the 30 per cent mark, if we include social assistance recipients who are able to work. And yet, Northern Telecom has just shut

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down its facility, throwing another hundred or more people out of work.

I should also point out that the fishing industry which provides work for the vast majority of the 6,000 Quebecers from the lower North Shore, is in dire straits.

Unitel has announced it was cutting 150 positions in Quebec and the Discus record chain that it was closing down 13 stores and laying off 200 employees. And the list of closures and layoffs in Quebec and Canada goes on and on.

Yet the federal government ran and won the last election on a platform of job creation. Their slogan was "jobs, jobs, jobs". The opposite is happening, with more and more massive layoffs.

On Saturday, February 12, 1994, the FTQ will be holding its annual meeting on the solidarity fund, the primary purpose of which is to create jobs. I take this opportunity to pay a special tribute to its founding president, my friend and colleague Louis Laberge.

He will soon be replaced by Mr. Fernand Daoust as chairman of the board of the solidarity fund. Known mainly for his three years as president of the Fédération des travailleurs du Québec and 22 years as secretary general of the same central labour body, my very dear friend Fernand Daoust is also a man totally devoted to the cause of the workers.

Fernand Daoust is a man of great stature. The Fonds de solidarité des travailleurs du Québec is gaining in him a president who will no doubt apply all the talent we are famous for to help achieve its goals. On that subject, I would like to tell you more about this FTQ solidarity fund which is a positive labour initiative to save and create jobs.

I am not done, Mr. Speaker, but I will close on this. True economic recovery will result in less unemployment and more tax revenues.

(1740)

Mr. Ronald J. Duhamel (Parliamentary Secretary to Minister of Public Works and Government Services): Mr. Speaker, I am pleased to speak to the Opposition motion that says essentially this: to examine federal expenditures by focusing on overlap between federal and provincial government programs.

This is a noble and essential objective. But why is the Bloc asking for such a committee? It is something we should look at. Of course, like us and like members of other parties, they want to know if it is possible to spend better or less. It is a very good thing and I share this feeling. I want to do it and I think we all agree that it must be done.

We heard today an interesting comment from a member of the Reform Party. There are still a few differences between the Bloc and Reform. It is sometimes difficult to see these differences but

I think there is at least one. This member from the Reform Party indicated that, in his opinion, the Bloc was trying to open a constitutional debate.

Why would the Bloc want to open a constitutional debate? If we analyze this comment carefully, could it be to promote their goal, namely separation from Canada? I hope I am mistaken. I do not want to accuse them, but I should remind Bloc members that this comment was made today by a Reform member. If there are any doubts as to the validity of my interpretation, one only has to check *Hansard*.

It is one possibility, but I think that the Bloc may want to move in a different direction. Every now and then, they remember that they are the Official Opposition so it is only natural that they want to embarrass the government. It is only natural that they try to create a situation suggesting that the current system of government, namely federalism, is not working.

[English]

Why is it that I make those particular points?

[Translation]

The Bloc knows very well that there is a committee which exists right now.

[English]

There is a committee which exists right now that can attain all of the objectives that are in the opposition motion. The Bloc chairs that committee. It has the key position on the committee. If there is a mechanism that exists to achieve the objectives that have been enunciated here on paper then are there other objectives that it is trying to pursue? Why is it asking to create something that already exists essentially to do those things it says it wants to do and that we all want to do, and that is to see whether we can spend better and more wisely fewer public funds?

As we examine this question I would hope that we would ask ourselves some very serious questions. We talk about concepts such as overlap and duplication as if they were the same thing. When I raised a question today of a member of the Reform Party, whether the member made a distinction, the member sloughed it off, I cannot say the party did, as simply being interested in saving money. Let me assure the members that we are interested in saving money as well.

It seems to me that before we go forward we have to have a clear sense of what it is we are trying to accomplish. Do we want to attack duplication only which to my way of thinking is another program that is essentially the same? Do we want to simply look at overlap? Do we know the difference between overlap and duplication? Overlap is where there are similarities but not necessarily a total similarity and a total duplication. We are just sloughing that off.

(1745)

There may be a necessity for overlap in some situations. It is my view that the more we can eliminate overlap and duplication the better off we are.

Let me give an example. In the whole question of environment there are certain provinces that abut territories. There are questions of environment that flow from the federal government to the territory as well as to the province. There may even be a need for duplication.

Let me give but one example. We have schools, generally speaking that are administered by school boards. In certain instances we need schools that are administered by the federal government for our aboriginal people. That is changing and it is going in the right direction.

To simply say we want to get rid of all overlap, all duplication without knowing the distinctions between overlap and duplication, without considering whether there are some needs for overlap and duplication, is not doing this particular activity justice.

Everybody would agree that there is overlap and duplication between the federal and provincial governments that needs to be looked at in a very serious way. What I am surprised at as well is that we have not talked about another level of government. Is there a need to examine whether there is too much overlap and duplication among the various levels of government, federal, provincial and municipal? There is in many instances.

Let us remember that if we are allowing ourselves to look at overlap and duplication between federal and provincial levels we ought to be able to extend that to municipal levels because municipal structures, governmental structures, are created by provincial governments.

What about overlap itself within certain levels of government, within, for example, the federal government, within provincial governments, within municipal governments?

Let me give a good example of overlap within federal governments. I am told that during the last government there were programs related to education, training, retraining; education broadly defined, if you wish, to be found in over a dozen federal departments.

Is that necessary? Is that good for the nation? Can we have a focus with that kind of spread, that kind of non-co-ordination. I think not.

In my own province of Manitoba a very serious duplication exists between the provincial and municipal authorities. It is social assistance. In some cases people receive social assistance from the provincial authorities. In other cases it is from the municipal authorities.

Supply

Sometimes it is very difficult to follow why one gets it from one level of government or the other level of government.

There are differences in programs. There are administrators in both and one could logically ask whether that should continue to exist.

Let me broach another topic. I do not think we have looked at the public accounts committee in a serious way. It can review spending. If it can review spending, clearly it can ask questions about overlap and duplication. Why would we not use this committee?

In a sense there is a contradiction there.

[*Translation*]

Since we already have a committee, why should we set up another one? The existing committee can reach the same objectives as those mentioned in Official Opposition's motion before us today.

[*English*]

It seems to me there is a glaring contradiction. We want to attack overlap and duplication and yet we are prepared to undertake an act that will cause overlap and duplication.

[*Translation*]

It does not make any sense at all.

[*English*]

There are many studies that point out that there is a problem in this area. The House has heard reference to the 1937 Rowell-Sirois commission, the 1978 study of the École nationale d'administration publique, of the 1978-79 federal provincial duplication of services review, of the 1984-85 task force on program review, of the regulatory reform initiative, of the 1991 Treasury Board secretariat study on federal-provincial overlap and duplication.

The House will perhaps be happy to note something that falls in line with the debate today. In this most recent study, in all studies, there were activities of overlap in many areas and duplication in a number of areas. Overlap in federal and provincial programs took several forms. In general, governments were managing some of these overlaps and duplications in an effective way. However, they all admitted that there is considerable scope for improving program delivery through better co-ordination or harmonization.

(1750)

Let me review the motion to make sure that we are talking about the same thing.

[*Translation*]

The motion before us today reads as follows:

That this House urge the Government to strike a Special Committee of the House, composed of representatives of all the official parties, with a mandate to examine public expenditures by the federal government, in light of the Report of the Auditor General of Canada, concerning overlap between federal and provincial government programs and in accordance with the following guidelines:

*Supply**[English]*

(1) the Committee's deliberations would be an open and transparent process allowing for the public examination of official matters;

This is not possible.

(2) the Committee would have the power to subpoena any witnesses whose testimony would be considered helpful;

This is possible.

(3) the Committee would be required to report to the House by June 23, 1994;

I believe that the date is different but surely accommodations could be made if this is important.

I see no reason to create an additional committee but I see reason to pursue the objective of examining where we could spend less and yet serve all citizens in a meaningful way. There is a committee to do it and I would urge that it be done.

[Translation]

Let us do it. I think we should all work together to cut government expenditures at all levels and to create jobs for all Canadians.

Mr. Ghislain Lebel (Chambly): Mr. Speaker, I listened very attentively to my hon. colleague from St. Boniface, Manitoba.

I note his statement to the effect that in Manitoba, everything is for the best in the best of all worlds. Unfortunately, I must also note that in Manitoba, not as many people speak French as in the last century. I would not want the same thing to happen in Quebec.

As for his question concerning the public accounts committee, may I ask if most of the members on that committee are from the party in power? If so, could the party in power assure us that the proceedings of the public accounts committee will be non-partisan? I would really like to hear the member on that.

Mr. Duhamel: Mr. Speaker, I would answer the question. I want to emphasize that my riding is indeed St. Boniface. I quite agree that many more people spoke French in Manitoba a century ago. Unfortunately, there has been a large drop. People still speak French in Manitoba, even though only a small number really care about the language and culture and have deep feelings towards this language and culture.

Some hon. members: Hear, hear.

Mr. Duhamel: I would like to add that where I come from, and I do not say it in an unkind way because I am not a nasty person, we are trying not only to keep what we have and to improve it but we also want to try to understand others and to

develop ways of working and living together to make everyone's life better. For us, that is very important.

I drew attention in the House this week to a big Voyageur Festival we were having and I invited all my colleagues to come and see how things were in our part of the country. I would be really glad to see you because we hear people speaking French, we have native people, we even have people from all over the world. Frankly, it is wonderful. Tomorrow night, I will be with francophones from France and francophones from Manitoba, because we still have people who speak French.

(1755)

I want to go back to the comment regarding what is going very well in Manitoba. I think the hon. member was listening, but he was not paying attention as closely as he should have because I gave an example of something which was not going well. I said that there are problems. If the hon. member thinks there are no problems, whether we refer to Quebec, Manitoba or another province, then I honestly think that his vision must be blurred.

There are problems everywhere. And we are here to solve those problems. I recognize that what we are doing here is very important. I recognize that everybody wants to reduce spending. If this is what you want to do, and I believe it is, fine. But we also want to do it, and the Reform Party wants to do it as well. However, what I said was that there is already a committee where this can be done.

The chairperson of that committee will be a Bloc Quebecois member. Do we have a majority? I think we do, but you are not going to tell me that because we have a majority we are not going to listen to common sense, even if it comes from a member of another party. If that was the case, it would not work at all.

The hon. member might want to reconsider what he said, because he is suggesting that we, Liberals, do not have people who can sit on this committee, listen to a proposal which makes sense, and say "yes, this is a good idea". I want to assure the hon. member that we do have such people. In fact, we have a lot of talented men and women who are willing to work for you. They want to create jobs and cut non-essential government spending, and they also want to make our country better for everyone.

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, I think that my colleagues did mention several times during this debate that the special committee would be a committee with accrued powers.

As the Auditor General himself keeps telling the government year after year: "I do not have access to all the information". This is something the government has to understand. This is something the Auditor General himself is saying. In his report,

he did say that the use of government aircraft cost us \$50 million, including \$25 million to transport ministers, but he also said that he did not have the tools to examine these expenditures. He had the same problems with the information about the expenditures of the Royal Canadian Mountain Police versus transfers to the provinces.

So, more information, that is what we want the committee to have in order to consider the expenditures item by item. Give your committee all the information available about the expenditures.

Mr. Duhamel: I am glad to be so popular with my colleagues from the Bloc Québécois. I understand what my colleague is saying, I am not the government, but I do understand what he is saying, and I can assure him that the government understands it as well. You are telling us that the Auditor General needs more information.

You want me and everyone listening tonight to believe that the existing committee does not have the authority to give to the Auditor General all the information he needs. Well, I want my colleague to know that it is possible, the existing committee can do just about anything it wants. The question is will the Bloc allow the committee to do it? I do not have the answer to that.

We can give the Auditor General exactly what he wants. We can give him all the information he needs, whenever we want to. There is nothing magic to it; it is possible, now—

The previous government did not want to do it, but we have a new government that wants to help.

Mr. Benoît Tremblay (Rosemont): Mr. Speaker, I think this is a slight exaggeration. We had an experienced and highly respected person, the hon. member for Ottawa—Vanier, chair the public accounts committee for years. He worked tirelessly, given the powers he had. The same powers that the committee now has. And what results did we see?

(1800)

For years, Liberals on the public accounts committee wanted to know everything and to have the same powers as others. And what did they do with the powers they had? They were unable to get the information they wanted or to force ministers or senior officials to testify. Mr. Speaker, the public accounts committee has a great deal less power than the Auditor General and you misled the public by saying otherwise—

The Deputy Speaker: Order. Would the hon. member kindly address his remarks to the Chair. The parliamentary secretary has 45 seconds remaining to respond.

Mr. Duhamel: Mr. Speaker, I have never misled anyone. Sir, you have some nerve making this kind of comment! It was the previous government that did not want to satisfy the needs of members of this committee. I have clearly stated that this

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government is open-minded. We are prepared to co-operate with you if you are willing to work with us, for all Canadians.

The Deputy Speaker: As there are 20 seconds remaining, I recognize the hon. member for Terrebonne.

Mr. Benoît Sauvageau (Terrebonne): Mr. Speaker, I would like to quote two sentences from the red book and then you can fulfil your duties. “Cynicism about public institutions, governments, politicians and the political process is at an all-time high”. There are 15 seconds remaining. “Therefore, the government is proposing to—

The Deputy Speaker: Order, please. It being six o'clock, it is my duty to inform the House that pursuant to Standing Order 81(17) proceedings on the motion have expired.

ADJOURNMENT PROCEEDINGS

[*Translation*]

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

NATIONAL DEFENCE

Mr. Gaston Leroux (Richmond—Wolfe): Mr. Speaker, the other side is obviously anxious and interested to hear what we have to say; that speeds things up.

It is important to wonder about the basic role of the Canadian parliamentary system. In the House, various procedures allow the Opposition members to enquire about government activities. Among these, the Question Period remains a first-rate mean to discover and recognize the true position of the government on current issues.

Therefore, when the government apparently does not wish to answer, we can eventually resort to what is commonly known as the “late show”, as you said it yourself, Mr. Speaker, to force the government to act more responsibly and to answer our questions in the best interest of Canadians. That is where we are at now, and I urge the government to give clear answers to the questions of the opposition.

I asked the Minister of National Defence about an incident involving an helicopter of the Canadian Armed Forces and Mohawks in Kanesatake and I got more comments and questions than answers. Opposition members are entitled to ask about the origin of the distress signal detected by Canadian Armed Forces. That signal caused the incident on January 21 and as long as the public does not know where that signal came from, doubts will continue to linger in the mind of all Canadians and Quebecers.

The matter is not closed simply because this government tried to cover it up through a joint statement of National Defence and the Mohawks. On the contrary, one can speculate about the true reasons why the government tries to downplay and ignore the

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incident. Maybe this government needs to be reminded that something did happen on January 21.

Why was a distress signal detected in the Kanesatake reserve? If that signal was not used in a real distress situation, why was it sent? Who sent it and why? What kind of device can send this distress signal? Exactly where did it come from? Was it an act of provocation, or rather a mistake made by the owner of a state-of-art device who accidentally sent such a signal? Why Kanesatake?

(1805)

Those are the kind of questions for which the government refused to give us the information we are entitled to. This incident sets a precedent that can have serious consequences for the population in general.

The Deputy Speaker: Excuse me. Order, please. The hon. member's time has expired. I recognize the Parliamentary Secretary to the Minister of National Defence and Minister of Veterans Affairs.

[*English*]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the Minister of National Defence has discussed this issue at length in the House. We have been open and forthcoming about the incident. There is no mystery and there is no doubt.

As the minister stated, a signal from an emergency locator transmitter, ELT, was detected on January 21 by a Hercules aircraft during a routine flight. Canadian forces policy dictates that search and rescue, SAR activity, be initiated whenever an ELT transmitter emission is detected because such emissions can indicate the possibility of danger to human life or property.

A Labrador helicopter was dispatched to assist the Hercules in searching for a possible distress situation. From the air members of the SAR team were able to identify the general area. The helicopter then set down in the area and crew members set out to further localize the source with hand held equipment.

Before the source of the signal could be identified, crew members were approached by an individual. He stated that shots had been fired at the aircraft and that they should leave the area. Comments were advisory and did not convey any threat. The air crew did not hear any shots being fired nor did they detect the presence of weapons. Let me reiterate that there is no physical evidence that shots were fired at the SAR helicopter and reports that bullet holes were found in the helicopter are absolutely false.

There were never any reports of an aircraft going down in the area, nor was there any visible evidence of a possible distress situation. With this in mind the air crew was correct in its decision to avoid the unnecessary endangerment of personnel by

leaving the area. The ELT stopped transmitting the following day.

Chief Peltier and the Minister of National Defence have discussed this issue to their mutual satisfaction. There is no dispute over what is Canadian airspace and there is no dispute that the Canadian forces will continue to use airspace in the conduct of legitimate defence and search and rescue activities.

[*Translation*]

HUMAN RIGHTS

Mrs. Maud Debien (Laval-Est): Mr. Speaker, on January 21 I asked the Minister of Foreign Affairs several questions regarding his government's position on the violation of human rights in Mexico.

At the time, the Minister of Foreign Affairs answered that his government would listen to suggestions and discuss the matter with the Mexican authorities.

We were surprised at the minister's comments. When one realizes that Canada has a long tradition of defending democracy and human rights, the government's silence was cause for concern. Considering also that the Prime Minister and the Minister for International Trade publicly announced there was no connection between our trade agreements with Mexico and respect for human rights in that country, we started asking some serious questions. On the other hand, the Secretary of State responsible for Africa and Latin America made it clear that Canada was always concerned about human rights issues among its trading partners.

The Deputy Prime Minister and Minister of the Environment intervened on January 24 to establish clearly a link between our trade agreements and environmental protection. Are we to understand that the government sees human rights as being less important than the environment?

Quebecers and Canadians want to know once and for all whether Canada sees a link between respect for human rights and the signing of trade agreements and establishing close trading relationships.

If the answer is yes, why was the government not more energetic in its representations to the Mexican government following the brutal repression of the people of Chiapas, shortly after NAFTA was signed? And how do we justify the privileged business relationship Canada has with China, although human rights are still being violated in that country?

(1810)

If, on the other hand, the new government does not see a direct link between respect for human rights and its trading relationships, how does it justify Canada's retaliatory measures against Haiti, for instance? Quebecers and Canadians want to know what the present government's position is and they want that

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position to be consistent. How can we explain the fact that the government has a double standard?

Canada and Quebec enjoy an excellent reputation for development assistance and respect for democracy and human rights. The Bloc Québécois also feels that the resulting economic space and reciprocal trade are very important for our economy. Finally, we ask the government to clearly establish consistent criteria for all these countries to be applied consistently to problems concerning human rights and democracy.

[English]

Mr. Jesse Flis (Parliamentary Secretary to Minister of Foreign Affairs): Mr. Speaker, I wish to remind the hon. member for Laval—Est that the Government of Canada remains concerned about the conflict in Chiapas State of Mexico in early January, particularly the loss of life and allegations of human rights abuses.

We have conveyed these concerns to the Mexican government, both through our ambassador, David Winfield, in Mexico and through the Mexican ambassador here in Ottawa, Sandra Fuentes—Berain.

The Government of Canada is encouraging the Mexican government to continue the open and conciliatory approach it has taken since the second week of the crisis to address the situation in Chiapas, including the following important steps: the appointment of Manuel Camacho, the former foreign minister and former mayor of Mexico City as the chief conciliator for Chiapas; the appointment of Dr. Jorge Carpizo, the former President of Mexico's human rights commission as the new interior minister; the involvement of Bishop Samuel Ruiz in negotiations to resolve the situation in Chiapas; the ceasefire; the meetings of President Salinas with indigenous groups in Chiapas; the amnesty offered to the Zapatistas by President Salinas, which was ratified by the Mexican Congress; and the appointment of an ombudsman responsible for human rights in Mexico.

The Government of Canada trusts that the Government of Mexico will address and resolve the fundamental underlying causes of the conflict in Chiapas, including social, economic and human rights issues.

The Deputy Speaker: Excuse me but the time has expired.

PRIVATIZATION

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, I am following up on a question I asked the Minister of National Defence on January 21.

The question I asked related to the excessive cost of government moves. The cost of these moves is in excess of \$100 million. Government moves are handled through four van lines,

three of which are 100 per cent American owned and one that is 30 per cent American owned.

Ten years ago these four van lines were fined a total of \$250,000 after pleading guilty to conspiring to lessen competition. A court order prohibited the companies from exchanging information or becoming involved in any sort of price and service agreements.

These four van lines are still handling government moves and are in collusion to stop competition in government moves outside of the four van lines. Paul Leader, the senior vice-president of operations and director of government liaison, of Atlas Van Lines wrote to me and my colleague in Kitchener on December 15, 1993. Part of the letter states: "I am writing to you on behalf of the four van lines in Canada, Allied, Atlas, North American and United. For the past 25 years this group has been working with the federal government handling all the moving requirements for its employees."

The government is the biggest client of the moving business in Canada accounting for 35 per cent of Canada's moving business, yet pays 10 to 23 per cent more than CBC, Canadian National Railways, Northern Telecom and Canada Post.

A 1992 study by Consulting and Audit Canada conservatively identified \$10 million in possible savings, which could be as high as \$26 million.

(1815)

In 1983 the Department of National Defence, as the country's biggest mover, received the lowest price on an average move when compared to five other major corporations. In 1993 the federal government paid the highest price on an average move.

When I started asking questions related to government moves I have been continually frustrated by government bureaucracy. I have experienced a classic example of "Yes, Minister", a British sitcom television program.

The interdepartmental committee, chaired by national defence, contracts with the van lines to carry out government moves. I have had people tell me that weights of goods moved on behalf of the government have been inflated, which if correct constitutes fraud, and that gifts have been given to employees of the interdepartmental committee responsible for contracting moves with the van lines.

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, the issue at hand involves the way the government purchases removal services for removal and related services for government employees. We are debating it because a claim has been made by the hon. member for Waterloo that the government thwarted a competitive plan to save taxpayers' money.

Let us review some of the background. As the Minister of National Defence stated in the House on January 21, the former government received six bids to take over the management of

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government moves. Of the six, only one was compliant and cost several million dollars more than the government option. The remaining five bids were non-compliant.

Only 10 days before the election, former ministers in the Conservative government directed two pilot projects without authorization, one with a firm whose costs were millions more than the governments and the other with a company whose bid was found to be non-compliant. In other words, this non-compliant company went through normal government procedures to get this business but was unsuccessful. Nevertheless just over one week before the election, Conservative ministers awarded this unsuccessful bidder a pilot project. This government immediately cancelled the authority to conduct the pilot project.

The government is committed to ensuring that the taxpayers of Canada get the greatest value for their dollar and we are continuing to examine all options that are available to save money.

One question that comes up is: Are carriers blocked from bidding? No, they are not. Potential bidders must meet certain criteria in order to qualify. The requirement for the fiscal year 1994-95 will call for local representation in at least seven provinces covering 55 per cent of the interdepartmental committee business to meet departmental location requirements. That is an improvement over the current requirement of 85 per cent in all provinces. This reduction in representation was done to further encourage competition.

The government is committed to seeking ways to save taxpayers' money. The minister understands the hon. member's concern and is devoting every attention to ensuring the best use of limited resources.

[*Translation*]

THE ENVIRONMENT

Mr. Jean-Guy Chrétien (Frontenac): Mr. Speaker, I would like to come back to the subject of the *Irving Whale*, as the information provided by the Minister of Environment puzzles me.

Allow me to take you back 23 years, to make sure we are all fully aware of the threat it poses. I will do my best to report the facts as accurately as possible.

On September 7, 1970, the *Irving Whale*, a tanker with a cargo of 3,200 tons of oil, sank off the Magdalen Islands.

A certain number of leaks were stopped, but several common murrelets covered in oil have recently been found on the shore. Based on these discoveries, an environmental specialist speculated that having reached its stress limit, it is only a matter of time before the tanker bursts open.

What bothers me is not having the faintest idea what actions have been taken. Let me explain. To a very specific question on her intentions concerning the release of the Marek report on the condition of the wreck, the minister answered that she would make it available as soon as possible. However, discussions with Coast Guard officials seem to indicate that there would actually be two separate reports instead of just the one, as I thought initially.

(1820)

On top of the Marek report, there would be one from the CEF consulting firm on environmental hazards. Both reports, by the way, are still secret.

Is there not cause for concern when you ask the Minister of Environment if her department has a specific plan to avert a potential environmental disaster and she answers that she is looking for a financial solution?

If the financial aspect carries so much weight, perhaps the financial cost of some 3,000 tons of oil spilling on the shores of the Magdalen Islands and Prince Edward Island should be evaluated.

If only out of respect for the citizens who are living under the constant threat of a spill, the time has come to show transparency and tell the truth about this disaster waiting to happen.

You will agree with me that, had this wreck been in Halifax harbour, we would not have had to wait 23 years for action. Things would have moved much faster.

Last Thursday, the Minister of Environment said she opted for refloating the tanker.

If this issue has been moving like never before during the past few weeks, as she reported, can the Minister of Environment tell us why it is that the people who are living with this time bomb will have to wait until the summer of 1995 for refloating to be undertaken?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, as an evidence of openness, it is I, first of all, who informed the member for Frontenac about the *Irving Whale* problem.

The first thing I did as a minister was to tell all the critics from all the political parties what my priorities were. It is I who informed the member opposite that, 20 years ago, the *Irving Whale* cracked and that I was trying to make it a priority of refloating the boat.

We must compare this action with the one that was taken by the leader of the opposition, who was himself the minister of Environment for almost two years. I come here and after only 100 days, I have the plan ready to start, not because we had movements from the Opposition, but because the member for Îles-de-la-Madeleine, directly, and the member of Prince Edward Island worked in consultation and in conjunction with myself, the minister.

Adjournment Debate

I take my responsibilities seriously.

[*English*]

The hon. member talks about transparency and openness. His own leader was Minister of the Environment for almost two years and did not even answer the letters of the fishermen who wrote to him from Îles-de-la-Madeleine.

[*Translation*]

The fishermen, seeing a time bomb, wrote to him. He did not care to reply to their letter.

I think that we have a plan. We are working very hard and there were even meetings last Monday. Meetings are planned in the riding. The member of Parliament in the riding is the one who has the real power. He already had access to the meetings that will take place on March 2 and 3, both in Prince Edward Island and Îles-de-la-Madeleine and, after that, you will see that we will get results. In 100 days, the Liberal government can solve a problem that has been dragging on for 20 years. That is real power.

(1825)

CIGARETTE SMUGGLING

Mr. Michel Gauthier (Roberval): Mr. Speaker, on January 21, I repeated the question on cigarette smuggling I had already asked I do not know how many times. I never found the answer satisfactory, but we finally have an explanation in the admission made by the leader of the government this week.

The important thing about this cigarette smuggling affair must not escape us—and I was the first to ask the Prime Minister questions about the possibility of reducing taxes to help Quebec solve its cigarette smuggling problem.

First, the Minister of Finance answered for the Prime Minister and said: “There is no way we are going to lower taxes”. Then, the Prime Minister told me: “Maybe we will lower taxes. We are discussing it with the provinces”. Later on, I was told: “We probably will lower taxes”. Finally, the government did lower taxes as requested by the Premier of Quebec.

On the same issue, when I explained to the Prime Minister how serious the cigarette smuggling problem was in Quebec, he first told me: “Oh! cigarette smuggling is not such a serious problem in Quebec. The RCMP is taking care of it”. Then, I was told: “Yes, there is smuggling, but everything is under control. Shipments are being intercepted by the RCMP and maybe the problem will eventually disappear”. Later on, I was told: “Yes, there is smuggling, but the hon. member will not convince us that it is the native people who are engaged in this kind of activity. There is smuggling, the RCMP are doing their job, but it is not necessarily the Indians that are doing the smuggling, as

the hon. member for Roberval says”. And finally, they came to recognize that “yes, there is smuggling. Yes, it is being done mostly through the Akwesasne reserve”.

They also finally admitted, when the Solicitor General answered a question I asked, that the RCMP were recovering 80,000 boxes of cigarettes. Just imagine what that represents. A quick tally showed that this amounted to a tiny percentage of the cigarettes smuggled into Canada.

This week, when the Prime minister announced the plan, the RCMP finally recognized that it was able to control barely 1 per cent of all cigarette smuggling throughout Canada.

The Minister of Environment was talking earlier to my colleague about transparency. The cigarette smuggling issue is a fine example of smoke screens. This is an example of an issue on which we, the opposition, with our little means, have had to try and get information every day, every minute, every moment this House has given us to finally uncover the truth, to shed some light on a serious problem which was really disturbing Quebecers.

In conclusion, I simply want to say that there are two other problems concerning the smuggling of cigarettes which have not been solved by the Prime minister. He has not done all his homework yet. He has not succeeded in convincing premiers of other provinces to join in the plan, which would have been essential. Now that he is only halfway there, Ontario will become the linchpin of smuggling activities in Canada.

And then he has not succeeded in meeting with the Indian reserve leaders to prevent any sad incidents which could take place. We are now being told that the Solicitor General has done his job.

It is disturbing to see such openness. It is disturbing to see that one has to wring scarce information out of this Parliament.

[*English*]

Ms. Jean Augustine (Parliamentary Secretary to Prime Minister): Mr. Speaker, on January 21 the opposition House leader stood in this House during question period and accused the Prime Minister of vacillation on the subject of fighting the contraband cigarette trade. In fact the member for Roberval said and I quote: “His hesitation is the main reason for the growing revolt among Quebec convenience stores”.

In response to this unfounded accusation I would like to share with the House what the Leader of the Opposition, the member's boss as it were, said about the Prime Minister's leadership on this issue: “I think that Jean Chrétien behaved like a Prime Minister—and as such guardian of the integrity of the law”. This was quoted in the *Toronto Star*.

Adjournment Debate

The opposition House leader and his party are trying to take the credit for the Prime Minister's decisiveness and his national action plan.

Canadians know the truth. Canadians understand the complexity of this issue and that the plan including enforcement crackdown, a reduction of consumer taxes, special action on tobacco manufacturers and the largest anti-smoking campaign in Canadian history is not thrown together in a couple of weeks. Months before members of his party were on national TV breaking the law openly, this government was working diligently to put together balanced public policy.

As the Prime Minister said in his statement on February 8, there is no perfect solution but we have come up with a fair, workable and decisive action plan. We must put an end to the terrorizing of entire communities. Canadians are counting on all members from all sides of this House to accomplish this very important task.

The Deputy Speaker: I would ask for the indulgence of members. A stopwatch is clearly needed here in the chair. I think I have been cutting members off who have not gone to the maximum. The member for Waterloo has asked that he be given another minute since I cut him off and the Clerk agrees that I cut him off a minute too soon.

With the indulgence of all present I would ask that the member for Waterloo be allowed to finish his remarks. He has another minute. Is that agreeable?

Hearing no dissent, thank you. The hon. member for Waterloo.

PRIVATIZATION

Mr. Andrew Telegdi (Waterloo): Mr. Speaker, we will have to cut and paste *Hansard*, but thank you.

There are further examples of employees working for the government retiring on pensions and then going to work for one of the moving companies.

Further information sent to the government in an attempt to win a share of the business by an excluded move management company and answers from the government ended up in the hands of the van lines.

This is not right. As the biggest mover in the country we should be receiving the best price on behalf of the taxpayers of Canada. At a time when we are looking at major cutbacks to military expenditures, we need to be as cost effective as possible. We must fight waste and inefficiency.

The Ottawa *Citizen* did a series of articles on this issue. In an editorial on January 28, 1994 the *Citizen* called for a Commons committee inquiry. I join that call for an inquiry. We cannot as a government afford to waste \$25 million or more in these times of fiscal restraint.

The Deputy Speaker: Pursuant to Standing Order 38(5), the motion to adjourn the House is now deemed to have been adopted.

This House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 6.31 p.m.)

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