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Friday, March 18, 1994

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Friday, March 18, 1994

The House met at 10 a.m.

Prayers

GOVERNMENT ORDERS

[*English*]

BORROWING AUTHORITY ACT, 1994-95

The House proceeded to the consideration of Bill C-14, an act to provide borrowing authority for the fiscal year beginning on April 1, 1994, as reported (without amendment) from the committee.

Hon. Marcel Massé (for the Minister of Finance) moved that the bill be concurred in.

(Motion agreed to.)

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

(1005)

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I welcome the opportunity to speak on third reading of Bill C-14, the borrowing authority bill.

The bill has been approved by the House finance committee and it is vitally important that the House proceed with it as quickly as possible. Without borrowing authority in the new fiscal year severe constraints will be placed on the government's financial program, constraints that could prove costly to the government and to Canadian taxpayers. The federal government would be restricted to short term funds. This would expose the government to an additional rate risk and could disrupt the capital market, potentially resulting in higher debt and servicing charges.

We do not put forward this request for borrowing authority lightly. We know there are real costs involved in adding to the country's debt burden. The amount of borrowing authority requested in the bill is directly connected to the financial requirements set out in the 1994 budget. The budget takes concrete responsible action to bring the nation's finances under control.

Our ultimate goal is to eliminate the deficit. Our interim target is to reduce it to 3 per cent of GDP by 1996-97. The budget puts us on a course to meet that target. We will reduce the deficit to \$39.7 billion in the coming fiscal year, to \$32.7 billion in 1995-96, and, with only a moderate growth, to \$25 billion in 1996-97. Our financial requirements are lower: \$30.2 billion in 1994-95 and \$22.7 billion in 1995-96.

Let me be very clear. No future action is required for us to meet our three-year deficit target. This will happen as a direct result of the actions contained in the 1994 budget in and of themselves.

To achieve this we have proposed the most substantial saving reductions by a government in the last 10 years. Debt expenditure cuts will total \$17 billion over the next three years. Over that period there are \$5 in spending cuts for every \$1 in new revenue.

Some people have expressed disappointment that the deficit for the first year is not lower. The government shares that disappointment. However the reasons for this are quite straightforward.

First, there is a lag time before the full effects of spending cuts show up in the nation's books, for example with unemployment insurance a change in legislation is required.

Second, we have carried through on all of our election commitments including a major national infrastructure program, and they are paid for up front.

There is a third reason the deficit is not lower for the first year. We have scrapped many of the practices of the past. In previous years, governments would set targets based on rosy economic projections. Our budget is based on very prudent assumptions.

[*Translation*]

First, there is a lag time before the full effects of spending cuts show up in the nation's books; for example, with unemployment insurance where a change in legislation is required.

Second, we have carried through on all of our election commitments, including a major national infrastructure program, and they are paid up front.

There is a third reason why the deficit is not lower for the first year. We have scrapped many of the practices of the past. In previous years, governments would set targets based on rosy economic projections. Our budget is based on very prudent assumptions.

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Moreover the budget provides full accounting for all new program costs. Nothing is hidden. We have built in substantial reserves so that we can respond to unforeseen contingencies without altering our fiscal targets.

Finally, we have not offloaded the federal deficit on to Canada's provinces. We firmly believe that the two levels of government must approach their respective challenges through co-operation.

Now let me return to Bill C-14. Like borrowing bills in previous years the bill contains three basic elements. I would like to touch briefly on each one of these elements.

First, the bill provides for \$30.2 billion of authority to cover anticipated borrowing requirements to meet the net financial requirements set out in the budget.

Second, there is provision in the bill to cover \$1.1 billion of exchange fund account earnings. These earnings give rise to additional borrowing requirements because these earnings, although reported as budgetary revenues, are retained in the exchange fund account. They are not available to finance ongoing government expenditures.

(1010)

Third, there is a \$3 billion borrowing reserve, the same amount requested in borrowing bills in the last six years. This reserve provides for unforeseen contingencies such as foreign exchange transactions, seasonal swings and borrowing requirements, and delays in passing the future year borrowing authority legislation.

The bill also contains a provision for an additional borrowing authority of \$3 billion to provide for borrowing conducted in the fiscal year under section 47 of the Financial Administration Act.

In summary borrowing authority is a normal part of government operations and the bill contains no unusual provisions. All the information needed to deal with it is before the House in the budget, the main estimates and related documents.

I therefore urge the House to proceed today with the legislation so that the government's regular borrowing program can proceed as the fiscal year begins and the risk of hard debt servicing charges can be avoided.

[Translation]

Mr. René Canuel (Matapédia—Matane): Mr. Speaker, since the budget was brought down in this House, I have witnessed a great deal of praise being heaped on members on the other side of the House. First, the Prime Minister praised his Minister of Finance as if he held the keys to eternal truth. The other ministers also showered him with praise and thanked him

for slashing their own departmental budgets. And to top it all off, the minister even congratulated himself. I have never seen so much flattery before, all designed to mask a flood of useless, futile words.

A number of my colleagues in the Bloc Québécois have denounced this budget, and rightly so. I too would like to join with them in saying that there is nothing in this budget to give some hope back to the least fortunate members of our society. This budget was devised by sons of darkness, whose father is none other than the Prime Minister himself.

A son of darkness is someone who always thinks in terms of his party and his career. Many of my colleagues here in this House hail from rural areas. There are some young Turks on the other side of the House who, outside the chamber, have said: You are right, but we are only starting out in our career and we want to move up. Sometimes, we have to keep quiet. Some other members who have been around longer and who are more adept at expressing themselves say this: Why not protect our career and maybe some day get appointed to the Senate.

A son of darkness is someone who never admits his mistakes. It was announced here in this House that the military college in Saint-Jean, a francophone college, will be closed. Everyone concedes that the government is making a monumental mistake, but the government is not willing to admit it.

A son of darkness is someone who protects the wealthy, family trusts and large corporations, someone who never gives any real answers here in this House. The answer is always maybe, or perhaps, but never anything specific.

(1015)

A son of darkness is someone who accepts a double standard. The poor are asked to tighten their belts, while a minister can take off and spend \$160,000 on a trip.

A son of darkness is someone who exploits the poorest among us and surrounds himself with wealthy friends during election campaigns. He has no problem with spending \$1,000 or \$3,000 on meals with his friends. He is also someone who is prepared to bleed our senior citizens dry, to tax their income above \$24,000 or \$25,000. He is someone who does not put any value on workers and who makes life hell for the unemployed.

I do not have any examples to give you, but I have toured my riding several times and workers as well as the unemployed understand what I am saying. A son of darkness is someone for whom the end justifies the means.

The Minister of Foreign Affairs says one thing in the House, and something quite different outside the chamber. A son of darkness is someone who does not care about the people. We have had some very sincere federalists in Quebec. There was Jean Lesage who coined the expression "masters in our own

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house". He sat here in this very House. Did anyone listen to him?

Immediately after him came Premier Daniel Johnson, Sr., who said "equality or independence". Did anyone listen to him, Mr. Speaker? No. His son, now the Premier of Quebec, did not listen. He is even worse than the others.

Then there was René Lévesque who spoke of sovereignty association. At one point, he talked about the "beau risque", the "fine risk". Did anyone listen to him? No.

Mr. Speaker, you will have recognized the people behind the latest budget. Furthermore, I have christened the Prime Minister the father of darkness. Why have I done this? You will recall that the Constitution was patriated unilaterally. Quebec was not there in the London fog. You will recall Meech Lake. Well, the Prime Minister was there in spirit. And finally, you will recall Charlottetown. This episode will help him to write his posthumous memoirs.

There is not a thing in this budget which would give some hope back to the small communities in my riding grappling with serious social and economic problems. If I were forced to live on temporary and seasonal unemployment insurance like most of my fellow citizens, I too would have a strong desire to rise up in protest.

(1020)

Where are these secure jobs in rural areas and in our small towns? If I had voted for the Liberal Party, I would feel betrayed. What was said during the election campaign, Mr. Speaker? They said, "jobs, jobs, jobs". Where are these jobs? Other than the infrastructure program, where they will be put in place as soon as possible. In Quebec, particularly if there is an election, we will see bulldozers all over the place, to give the impression that jobs are being created, the illusion that temporary jobs are being created, only for that reason.

If I were the mayor of a small rural municipality, I would be convinced that this government has simply let rural people down once again. The nice promises this government made to Canadian voters in the last election campaign on underemployment, unemployment, and housing have all gone up in smoke.

Not only is there nothing in this budget for the least fortunate, but it picks the pockets of the poorest once again. It bleeds dry the old people who built this country. These people have worked hard to save a little money and now they will have to return part of their savings, put together over 50 or 60 years. They will have to give money back to the government, after doing everything to build this country.

What I heard in this House on February 22 is what I fought against during the last election campaign in my riding. It is

urgent that we in this country understand once and for all that we will not solve the deficit problem by going after the poorest and the elderly. It is a funny way to thank these people who worked hard and put their health on the line to build Quebec and Canada.

This government must begin, and this is urgent, creating long-term jobs, not temporary jobs, not pre-electoral jobs, not sporadic jobs, not jobs that will make the party look good, but jobs for people who want to work. The Minister says he is counting on private enterprise to create jobs, and I agree with him.

Development depends to a large extent on small and medium-sized business—I am sure of that—which represent about 99 per cent of all Canadian businesses, great! However, small and medium-sized businesses are facing new problems that prevent them from effectively playing the role of job creators under the impulsion of the economic recovery.

Small and medium-sized businesses are having trouble getting the money to fund their development from financial institutions. Administrative requirements from the different levels of government are unnecessary burdens that take up the energy needed for production activities.

(1025)

Small and medium-sized businesses complain about their tax burden and see the need for squandering and duplication to be eliminated in governmental programs and services. Is this government prepared to identify and reduce tax, administrative, social, economic and other barriers to small business starting up and remaining in operation? This is a clear, precise message from over 75 per cent of business leaders in this country.

Unemployment insurance reform, to be initiated in the near future, parliamentary committee on alternatives to the GST and a task force on the economic situation, which will take a timid look at what could be done to facilitate access to conventional financing and explore new funding sources at the local and community level. In other words, studies and more studies. But studies do not create jobs, except perhaps for a few civil servants and especially for some consultant friends of the Liberals.

Mr. Speaker, you will argue, and rightly so, that man does not live on bread alone. Maybe so, but man does need bread. In my riding, the good courageous parents who cannot afford to buy food could not care less for study committees. When a single mother has no money to pay rent at the end of the month, she too could not care less for committees. What does the other side suggest? Let us strike committees to solve the problems. That is not what people are asking for in my riding. There are urgent needs that have to be met. When an unemployed individual, one of the many in my riding, sends out 200 resumes and does not get one single response, he too does not care for committees. I am using polite language out of respect for this place, but that is

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not the language they use when talking to me. Cuss words are flying these days.

When the great minds of our region, in Matapédia—Matane, have to migrate to find work, they could not care less for study committees. I met former constituents of mine in Vancouver who told me: “It is not that Vancouver is not friendly, welcoming and all, on the contrary, but we did not move here with a light heart. We did not have a choice. There are no jobs back home”.

What measures does the Minister of Finance intend to put in place to help businesses, the small and medium-sized businesses, create jobs? Help is urgently needed. Is this minister or any other prepared to help the Business Development Centre, BDC for short, invest more in share capital and venture capital? So far, most BDCs have been granting 80 per cent loans. They are almost like the banks and credit unions. That is not what I am asking from the minister. I am asking the ministers to take some risks. That is what they are there for. Now we hear that BDCs must become profitable. Of course, but not by ruining people in the process. Some businesses do need support.

(1030)

Is this government prepared to invest more in the forestry industry? You are probably aware of the major role played by forestry in Canada’s economy and trade. Listen to this! One job out of every 17 created directly or indirectly in Canada is in forestry. That is 729,000 jobs. But the minister never said a word about natural resources, not a word, at least not so far. That is really sad. In Quebec, forestry creates one job in 13. Still, not a word from the minister.

Furthermore—and I find it somewhat insulting that this fact has gone unnoticed—natural resources are the key element of the trade balance, with \$19 billion a year. Yet, they seem to be relegated to the second, tenth or twentieth position. That is incredible!

Figures from 39 joint management groups show the impact the economic activity of small and medium-sized businesses in that area has had on the economy in 1992–93. In source deductions and taxes alone, these groups have paid back close to half the funds received. Governments have recovered in part the seed capital provided, all the while helping enhance capacity, creating thousands of jobs and supporting a regional and provincial economic activity.

Budget cuts in that area will not only result in job loss. The companies that woodlot owners have struggled to set up over the past 20 years, going as far as pooling resources and forming co-operatives to create jobs by allowing individuals who did not own lots to work them, are threatened. They have made huge sacrifices. I could give you a list of examples a mile long.

To contribute to the management of their forests, these owners have taken risks. They have taken risks for forests now threatened with disappearance. Joint management groups are seriously concerned. RESAM, which represents 39 groups, struggles along from one year to the next, while all it would need is a little boost. We do not even have the—generosity is not the word—the heart to say that it is the government’s job to create jobs. Why not do it?

It would seem that natural resources are not valued in this House. Forestry alone brings in \$19 billion, more than agriculture, fisheries, industry and energy. But here, in this House, it apparently has no importance whatsoever.

I hope that my colleagues from rural areas will set party politics aside for a moment and say: “Let us do it for rural Canada”.

(1035)

There are many ministers from big cities, but the rural areas do not have a voice, and I would like to be that voice for the voiceless, the spokesman for those who go unheard. Of course, if I am alone, it is not a partisan issue, I can do very little.

I come back to these small forestry businesses, which as you know, Mr. Speaker, are scattered all across Quebec and Canada. They are real tools for regional development. Without them, what would become of our resource regions? What would become of the forest industry? What would become of this country’s positive trade balance?

This year, development corporations in my riding are asking for more aid to operate. They are simply asking the Canadian government to invest, because it is an investment; it is not a loan or a grant but an investment that they request, and they very often are turned down. I hope that this year your government will not refuse. For the government, it is a long-term investment that will pay off.

I ask this government to respond positively as soon as possible, because the Société des Monts, which prepared a very large brief—last year, the forestry workers and the employees of that outfit, led by the company president, Mr. Malenfant, had their salaries cut 10 per cent so that the company could survive and create and maintain those jobs. If you earn \$20,000 a year, a 10 per cent pay cut means taking bread and butter from your children. When the school year begins, you cannot pay your children’s back-to-school expenses, and we know what that costs, especially if you have three or four children.

The Société des Monts, the Société de la Vallée and the Scierie Métis sawmill must plan their work as soon as possible. I know hundreds of forestry workers who in early March—I do not want to dramatize—are getting stomach ulcers because they do not know if they will start to work. They do not know. We are waiting while the whole cumbersome government bureaucracy takes one or two or three months to answer. That is easy for

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someone who is not thinking of the people, the parents who have nothing or almost nothing to feed their children.

Maybe you have not seen that but I have. I come from a poor community, one of the poorest ridings in Canada. People talk about the east end of Montreal; yes, it has tragic problems too. Our cities also have tragic problems. But in my area, it is even worse. I am not speaking on my behalf; I am speaking for those who voted for me and those who voted against me. It makes no difference to me; those people have a right to work and do not have a job, and for some reasons that are hard to identify, they are insecure every year.

The people of Matapédia—Matane are fed up with seeing their wood leave with only basic processing. We used to be called drawers of water. I say that today we are bearers or even eaters, a more apt description, of sawdust.

(1040)

There is only sawdust left in our yards. That is all there is left. Our wood is being taken away; trucks carry it everywhere, and we cannot even process it at home.

Let me give you an example. Back home, there are many mills that make wood laths. We wanted to build lobster crates, but I was told that it was not possible because transportation costs were too high. And we just learned this week that the CN might no longer provide a service to our area, because there is not enough freight to transport. It seems to me that the state should help regions such as ours and give them a chance. If the train keeps serving our area, it will not cost any more and it will enable us to send out finished products.

People in my riding want to work; they want to give an added value to the forest resources which would help develop their region.

We need a little help, but not in three years. We need just a little bit of help because our people are resourceful. That is all they need. If you give them that little break, you will see a series of new, dynamic and job-creating small businesses emerge.

But for that to take place, there must be a firm political will to apply technology to natural resources. The Eastern Quebec Development Plan must be maintained beyond 1995. It must be improved and adjusted. We must invest even more. All those involved agree on that.

In my region, the per capita income is 25 per cent lower than the Quebec average. That is right: 25 per cent. At the same time, the Minister of Finance is going after unemployment insurance benefits and old age pensions. People in my riding would like

nothing more than to work. As I said earlier, the job market must provide stable employment.

The only thing I am convinced of is that, in my region as well as in all rural areas, this budget will only generate more hardship and poverty. More people will have to rely on income security. How can you expect people in my region to believe in profitable federalism when this regime leads us to such a state of dependency and poverty? Yet, the budget will perpetuate this situation.

When ministers and government members opposite ask us: You want sovereignty, but how are you going to manage? I have a ready answer: Mr. Speaker, things can never be worse than now.

Development corporations are in serious trouble. Moreover, our population is aging and our young people are leaving. In my riding, there is only one CEGEP and no university. It is not federalism which supported our regions: It is our municipal representatives, our small parishes and our mayors who worked very hard. It is also our entrepreneurs who often risked everything. And it is especially those men and women in the field who worked relentlessly seven days a week. On Friday afternoon, my neighbour in a small village had a heart attack and was taken to the hospital, where the doctor told him he would be all right. Monday morning, he went back to his chain saw—this was a Mr. Morrissette—to work to support his family, because he had to. I want to thank him and the many Mr. Morrissettes in our region. There are hundreds and thousands, and of course I cannot name them all, who are like that.

(1045)

I also want to thank all the mothers who were prepared to raise their families in a rural community. I want to thank these unsung heroines who are the salt of the earth. I especially want to thank the young people and professionals who came back and accepted a drop in salary, to try to help us. We can use more young people. If this means making a sacrifice, make it, but you will be rewarded by living in a community that has the strength to pull together.

I want to thank the older people. Their grandparents ploughed their fields with ox and horse teams. They worked very hard. Do we have to get rid of all these rural communities? That seems to be the trend. I always say that a village is worth as much as a town. Is the government going to get rid of them? It has no rural policy. It is cutting back on forestry and agriculture and practically everything. Our small businesses are very vulnerable. I know the Minister of Finance said that the government would try to do something, but the infrastructures project means that sewers will be built, plus a few temporary projects, but after

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that, what happens? Temporary has been the name of the game for 20 years in my region. The government has created temporary jobs but that does not help. We need a much more vigorous approach to these problems.

Actually, federalism has kept our regions poor, giving the impression that they were only good for producing raw materials to give this country a trade surplus. Just provide the labour, and we will collect the money. Great!

What does this budget have to offer rural areas? There is nothing for agriculture and forestry agreements have been cut. And on top of that, the government increased the number of insurable weeks for unemployment insurance and is not creating jobs. If this government bothered to listen to the needs of rural communities, it could create hundreds of jobs. If it only gave us a chance to process our own raw materials, we could create thousands of jobs. That is a niche in which the Minister of Finance could have invested.

The Minister of Finance and most ministers here in the House are absolutely ignorant of rural needs. Even if he was born in a big city, and good for him, it seems to me he should try to understand the most vulnerable and the poorest members of our society. They are the people, the men and women, who built this world, who built our regions, but at the international level, at the level of this planet, people are prepared to let small communities die. Just shut those six small communities down! Do we have to organize to defend our rights? We had Operation Dignity, and we took to the streets. There was Ralliement populaire, and we took to the streets as well. And both times we had something to show for it. When we took to the streets, we got something. If we do not take to the streets, we get nothing. Will we have to take to the streets again? It is hard work—in fact it is exhausting—but we will if we have to.

(1050)

Even a minimal investment in our regions would yield major dividends for the state. Rural communities are not asking for charity. Do you know what they want? Their fair share! A dollar invested in forestry operations yields the government \$7. Is that charity? One has to be completely cut off from the real world not to realize this.

We do not need all kinds of benefits. We do need start up money, and it is high time the government decided to invest in durable jobs and sensible projects.

I have met a lot of people in my riding. They are very disappointed in this budget. They are also very worried about what will happen to their families. They talked to me about their concerns. I met them not long ago, and their first question was: Will we still have the right to live in this region of lakes and mountains? Matapédia—Matane is one of the most beautiful ridings we have—everybody says so—but you should come and see for yourself.

Their second question was: Can we expect to live out our lives in dignity in this peaceful and tranquil area? What kind of future will our children have in this region? What kind of future can they expect?

During the election campaign, the members opposite, those sons of darkness, had more or less become, Mr. Speaker—

The Acting Speaker (Mr. Kilger): Order, order. I hesitated for some time before interrupting the hon. member from Matapédia—Matane during his speech, which he gave with great eloquence and conviction, but I have some trouble with the terms “sons and father of darkness”. This is the third time those expressions crop up.

Quite frankly, I hesitated because I was not sure I grasped the significance of these terms, because if I understand correctly, “sons of darkness” means “sons of hell”. I certainly do not wish to impugn the eloquence and conviction of the hon. member’s speech, but I would ask him to consider whether he wishes to use those terms, which I find rather extreme.

We are now over forty minutes. Perhaps the hon. member could give the Chair some indication of when he will finish his speech, and the Chair could ask for unanimous consent to let him continue, because four or five minutes from now, we will have to start Question Period.

Mr. Canuel: Mr. Speaker, when I say “sons of darkness”, I mean “sons in darkness”, which is to say who cannot see clearly. That is what I meant.

(1055)

I hope that is in order, because obviously what was meant is a lack of clarity, and I do not think that was insulting to my colleagues.

Today, aside from the infrastructures project, there is nothing for rural communities. The people in my riding and other Quebec ridings no longer believe in federalism. Conservative and Liberal governments are always hand in glove with the multinationals. They will never go along with the principle of individual political donations, so there is always a *quid pro quo*: I contribute to the party’s coffers and you invest in my company.

To hell with rural communities! To hell with planning corporations! To hell, or almost, with the plan for Eastern Quebec! To hell with the poor! Hurray for the rich! And above all, do not touch family trusts. Do not touch the multinationals. Many do not pay taxes. Many companies manage to avoid paying taxes.

Friends are friends. The Minister of Finance has the nerve to tell us to wait till 1996–97 to see any benefits as a result of his budget. Mr. Speaker, I can tell you this: people do not have time to sit there waiting for the dreams of a Minister of Finance to materialize.

S. O. 31

When in my riding and other ridings, farms are auctioned off, and there are farms for sale practically every week, do you know what happens afterwards? The forest starts taking over. Rural communities die off gradually. Our farm workers are earning less than they did ten years ago. I have a lot of people in my riding, who are earning less than they did back then. The middle class is becoming the under class, and the poor in my riding are going to the local soup kitchen. All this is heartbreaking.

There is no light at the end of the tunnel, no political will, no social vision; there are no enlightened solutions. Rural communities are worried, and they are concerned.

The Speaker: It being 11 a.m., pursuant to Standing Order 30(5), the House will now proceed to Statements by Members pursuant to Standing Order 31.

STATEMENTS BY MEMBERS

[English]

SMALL BUSINESS

Mr. Paul Zed (Fundy—Royal): Mr. Speaker, I would like to speak today about access to capital by small business.

From 1979 to 1989, small business created 87 per cent of the new jobs in the country. Small business is the key to future job creation. In order for existing small businesses to grow and new businesses to develop, we need to ensure that they have adequate access to capital.

The House of Commons Standing Committee on Industry is holding hearings to determine what government can do to increase the flow of capital to small business. We will be looking at what role the banks play in small business financing as well as new sources of financing.

I salute all small business owners throughout the country. There is a tremendous sense of goodwill by all parties on our committee to find solutions. I encourage all Canadians who wish to contribute to come forward and make their views known to our committee. I am confident and encouraged by these initiatives and I know that the needs of small business will be met.

* * *

[Translation]

CANADIAN JEWISH CONGRESS

Mr. Roger Pomerleau (Anjou—Rivière-des-Prairies): Mr. Speaker, I am very happy to rise in the House today to mark the 75th anniversary of the Canadian Jewish Congress. This orga-

nization is well-known among Quebecers and Canadians; it is a pillar of our Jewish community.

Founded in Montreal after World War I, the Canadian Jewish Congress has participated in all major political and social debates in Quebec and Canada. Its fight for religious freedom and against all forms of discrimination was then taken up by all Quebecers and Canadians.

On the occasion of its 75th anniversary, I would like to thank the Jewish Congress for its important contribution to our society and to wish it a long life.

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[English]

ROGERS COMMUNICATIONS

Mrs. Daphne Jennings (Mission—Coquitlam): Mr. Speaker, I am speaking today about the proposed takeover of Maclean-Hunter by Rogers Communications Inc.

I am here to speak neither for nor against such a move because in my party we encourage the entrepreneurial spirit which built this great country.

When this matter goes before the CRTC for approval I submit it is important that this commission take into consideration the effect this deal may have on small town Canada.

In my riding of Mission—Coquitlam there is a labour dispute at the local Rogers Cablevision outlet. This dispute has hurt families that are involved in a lockout and inconvenienced many who do not cross lawful picket lines. It is my belief that the interests of small town and rural Canada must always be front and centre when we consider the effects of corporate manoeuvring.

A large percentage of Canadians have little choice concerning the source of the news they receive. Let us be cautious when we are put in a position of limiting these choices even further.

* * *

[Translation]

OATH OF ALLEGIANCE

Mr. Eugène Bellemare (Carleton—Gloucester): Last Monday, I presented my bill requiring all members elected to the House of Commons to swear allegiance to Canada and the Constitution.

All Bloc Quebecois members refused the unanimous consent needed to hold a vote.

What are Bloc Quebecois members afraid of? What are they doing in the Parliament of Canada if they refuse to swear to look after the interests of all, repeat all, Canadian citizens?

S. O. 31

[English]

NORTH AMERICAN COMMISSION FOR ENVIRONMENTAL CO-OPERATION

Mr. Rey D. Pagtakhan (Winnipeg North): Mr. Speaker, the government will soon determine the site for the headquarters of the North American Commission for Environmental Co-operation.

Winnipeg would be the most appropriate location as the city is already home to the International Institute for Sustainable Development and the Secretariat for the Canadian Council of Ministers of the Environment.

Aside from the certain benefits that will result from the proximity of these offices with closely related functions, Winnipeg provides easy access to transportation.

Winnipeg's rails run through the United States to Mexico and it is linked directly to Mexico via the most heavily used trucking route into that country.

As well, there are a number of direct and frequent air flights to Ottawa, Washington, D.C., and Mexico, the three capitals of the three signatories to the North American Free Trade Agreement.

I urge the government to choose Winnipeg, which has long stood at the forefront of promoting sustainable development, as the natural site for the North American Commission for Environmental Co-Operation.

* * *

CARLETON NORTH HIGH SCHOOL

Mr. Harold Culbert (Carleton—Charlotte): Mr. Speaker, I rise in the House today to congratulate two coaches from the Carleton North High School who are being honoured in my Carleton—Charlotte constituency.

Mr. Iain Dunlop and Mr. Darrell Turnbull are being recognized by the New Brunswick Interscholastic Athletic Association for their superior contribution to basketball.

Both men had to meet six requirements including team success as well as player-coach relationships to qualify for their respective awards.

On March 27 Iain Dunlop will be presented with the Dave MacPherson Award for outstanding contribution in the male division and at the same time Darrell Turnbull will receive the Peg McAleenan Award for his work in the female sector.

On behalf of this House of Commons I extend congratulations to Iain Dunlop and Darrell Turnbull for their commitment to athletics, the community and the youth of Carleton North High School.

(1105)

[Translation]

SOCIAL PROGRAM REFORM

Mr. Gérard Asselin (Charlevoix): Mr. Speaker, we saw last night how the Prime Minister was welcomed to New Brunswick.

To thank the people of Beauséjour for re-electing him in 1990, the Prime Minister in effect gave them a nice poisoned gift: a reform of the unemployment insurance program that cuts deeply into the benefits of thousands of recipients in New Brunswick, as everywhere else in Canada.

Quebecers and Canadians have no intention of bearing the brunt of a strategy that tries to solve the deficit problem at the expense of the unemployed and of low-income people.

The people of New Brunswick, through their hostile reaction, are saying no to the proposed reform of social programs, just like the people in Toronto who said the same thing to the Minister of Human Resources Development.

It is obvious that the government must thoroughly review how it intends to reform social programs.

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[English]

VETERANS AFFAIRS

Mr. Jim Hart (Okanagan—Similkameen—Merritt): Mr. Speaker, Canada has a proud tradition of honouring our war veterans. There is a fast dwindling group of veterans, however, who have been poorly treated by us. I speak of the merchant navy vets who were held prisoners of war for as long as five years. They had to contend with terrible conditions and treatment at the hands of their captors. Yet we currently compensate them for only 30 months of incarceration.

We have many programs that are less urgent than fair treatment for those few vets whose numbers are dwindling because of their age. This is not a request for the government to spend more money but to get its priorities straight.

Some distinguished members of this House defend the current cash for life MP pension plan. Instead, I call on those members to support fair treatment of these vets by paying the debt we owe them for up to the 50 months they suffered in defence of Canada.

* * *

THE BUDGET

Mr. John Maloney (Erie): Mr. Speaker, I wish to compliment the Minister of Finance for his commendable efforts in attempting to restore fiscal responsibility to the public finances of Canada. I acknowledge that the solution to the fiscal challenge

S. O. 31

confronting our country will not be without pain and that all segments of our country have been asked to share the burden.

I would point out, however, that the announcement in the budget of a two year legislated extension of the existing three year salary freeze for the public service as well as a two year suspension of pay increments within grade has adversely impacted on our loyal, industrious, dedicated public sector workforce.

I would ask the government to closely monitor the savings secured by these initiatives with a view to shortening or lifting these freezes as soon as possible.

Our commitment to collective bargaining must be honoured.

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CORPORATE AND BANKRUPTCY LAWS

Mr. Gurbax Singh Malhi (Bramalea—Gore—Malton): Mr. Speaker, the purpose of the corporate and bankruptcy laws of Canada is to stimulate initiative and investment in our economy while avoiding the possibility of total personal financial ruin.

It is unfortunate when business ventures fail through no fault of the individuals concerned, but it is outrageous when business failures are used as a means of defrauding creditors, investors, employees and governments.

I would, therefore, propose that Parliament amend the corporate and bankruptcy laws of Canada so that any individual who is convicted of an offence under those laws, or of fraud, or who has had a decision of a civil court against him or her with regard to any bankruptcy cannot be an incorporator, director, officer, shareholder or creditor of any corporation for a period of five years from the date of the final decision of the court.

* * *

PRISCILLA DE VILLIERS

Ms. Beth Phinney (Hamilton Mountain): Mr. Speaker, many women were honoured during International Women's Week and many more will be celebrated during this the International Year of the Family.

I would like to take this opportunity to highlight the contribution of one woman who has brought national attention to a very important issue in Canada. Priscilla de Villiers, a woman of vision and courage in the aftermath of losing her daughter in the most painful and unbearable circumstances, found the inner strength to launch a movement aimed at preventing the same pain being experienced by other Canadian families.

She has clearly demonstrated how one person can make a difference. To bring about changes in the justice system she began a petition that has been signed by two and a half million

Canadians and founded CAVEAT which promotes the creation of a just, peaceful and safe society.

By turning tragedy into a positive force for change, Priscilla de Villiers can claim to have achieved a unique success which has touched us all. I am pleased to add the name of Priscilla de Villiers to the list of women we honour and whose contribution continues to affect the lives of so many.

* * *

(1110)

[*Translation*]

HUMAN RIGHTS

Mrs. Monique Guay (Laurentides): Mr. Speaker, in the most recent annual report of the Canadian Human Rights Commission, its chief commissioner, Mr. Yalden, was quite blunt. The government urgently needs to change the Canadian Human Rights Act and the Employment Equity Act. It is imperative that the Liberal government take some measures to address the issues of poverty in aboriginal communities, wage disparity between men and women and non-recognition of gay couples.

The Commission has repeatedly called on previous governments to act, and the time has now come for the Liberal government to put its words into action.

* * *

[*English*]

CRIMINAL CODE

Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia): Mr. Speaker, in 1978 Gregory Fischer was convicted of premeditated murder of RCMP constable Brian King. He was sentenced to life imprisonment with no possibility of parole for 25 years.

He has appealed his sentence under section 745 of the Criminal Code. If he is successful he will be eligible for parole in spite of the restriction imposed by the trial judge.

On January 20 the judge hearing his appeal in Saskatoon declared a mistrial because he felt that the presence in court of the victim's family and a group of police officers created an emotionally charged atmosphere for the jury.

When capital punishment was abolished in Canada the public was led to believe that the minimum time served for first degree murder would be 25 years. Twenty-two first degree murderers who were successful in getting their reviews have been granted parole or day parole. This has been a cruel deception on the families of murder victims.

Section 745 must be removed from the Criminal Code.

*Oral Questions***THE ECONOMY**

Mr. John Richardson (Perth—Wellington—Waterloo): Mr. Speaker, I rise today to be the purveyor of good news for all Canadians.

According to Statistics Canada the composite leading indicators continue to show a healthy pace for the second consecutive month in February. Nine of the ten indicators rose and the other stayed on a flat line.

That augurs well for the continued growth pattern in our economy. Certain things do turn up and are very important in the broad based growth. A surge of 60,000 new jobs in February gave an added impetus and we are looking more to that impetus going on through March. New manufacturing orders for durable goods showed a 2.7 per cent increase, the highest since 1988, despite the widespread retooling of the auto plants. Several industries reported growth rates in excess of 10 per cent.

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HEALTH

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, in 1985 my constituent, Johanne Decarie, became infected with the HIV virus as a result of a blood transfusion which she received while giving birth to her twin daughters. Mrs. Decarie later infected her husband and a subsequent daughter born to her now has full blown AIDS. My constituent qualified for the federal assistance package and the provincial one as well but her husband and child do not qualify because they are indirect victims.

I call upon our Minister of Health to amend the federal compensation package in order to permit these two victims of the blood scandal to be compensated. At the very least the child born with this disease should qualify and should receive these benefits.

* * *

HEALTH

Hon. Audrey McLaughlin (Yukon): Mr. Speaker, this week we had three events coincide on the blood supply issue.

With the Pittman decision the courts recognized the responsibility to spouses and family members of individuals who received contaminated blood products. The provincial packages expired and all with the exception of Nova Scotia did not recognize their responsibility to family members who contracted HIV indirectly. Finally, the Krever commission continues to raise more questions than it answers about who knew what and when and what action was or was not taken.

I call today on the Minister of Health to reopen the federal compensation package to include family members who contracted HIV indirectly from those who received contaminated blood.

ORAL QUESTION PERIOD

(1115)

[*Translation*]

GOODS AND SERVICES TAX

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, my question is for the Deputy Prime Minister. In answer to a question from the opposition, the Prime Minister said that his government did not intend to extend the GST to food, health care and medicine. Questioned as he left the House, the Prime Minister pretended that he misunderstood the question and went back on his statement by refusing to oppose a new tax on health care, medicine and food.

Could the Deputy Prime Minister tell us the government's real position? Is it the categorical no in the House or the Prime Minister's openness to new taxes when he met journalists on leaving the House?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the Prime Minister indicated very clearly that there would be no new GST, so the question of extending the GST to food and medicine is pure speculation, because we are committed to replacing the GST.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, we have the same problem as yesterday, because that was precisely the question raised in the House yesterday. We were told that there would be no new GST, but on leaving the House, he told us that he misunderstood the question.

Now the question is very clear today: we are not talking about the GST; we are talking about a new tax. The Prime Minister told us yesterday that he misunderstood the question he was asked about the GST, that he was not talking about other taxes. That is why we are asking the question again today. I think it is very clear.

I would like the Deputy Prime Minister to give us an answer, because there will be no new GST, there will be no old GST, we agree on that, we understand that. But are we to understand that the government's preferred option is to tax more products, including health care, medicine and food, in some other way, perhaps a hidden tax?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, on the basis of our mandate

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of October 25, the government promised the full participation of the House of Commons. The hon. member knows very well that some of his colleagues are now working on how we can replace the GST.

The Prime Minister said outright that this government's policy is not to have a new GST. Now, as for what the committee studying the question will produce, I think that he should talk with his friends and colleagues who are on the committee so that they can produce a unanimous report recommending a strategy to replace the GST.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I have indeed spoken with my colleagues and with my leader. On this side of the House, we are very clear. We want no tax, not the old GST, not a new GST, not an XYZ tax, no hidden, half-hidden or unhidden tax. We want no tax on medicine, food and health care. The other side's position on that is not clear.

I would like the Deputy Prime Minister to be as open as this side of the House and to speak out. I ask her if she does not admit that the first victims of a new tax, hidden or not, on medicine, health care and food would be low-income people, especially single parent families and seniors?

[*English*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as has already been indicated, the member knows this matter is before the committee.

The committee agreed to a motion several weeks ago to study all aspects of the tax to make sure the tax is made more fair for all Canadians. We have opened up the discussions so that all members can question all witnesses. The committee is beginning to travel to other provinces to talk to provincial ministers about how they would like to see it integrated.

We are taking our time to make sure it is the best possible tax for all Canadians.

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[*Translation*]

CONFLICTS OF INTEREST

Mr. René Laurin (Joliette): Mr. Speaker, my question is for the Deputy Prime Minister. This morning, we learned that the Minister of Finance has disclosed wide-ranging business holdings and this raises a number of important questions. The Minister of Finance, who is also responsible for regional development in Quebec, cannot take part in cabinet discussions relating to shipbuilding, shipping, whether by rail or by sea, the St. Lawrence Seaway and rail and bus transportation systems.

(1120)

Considering that the Minister of Finance has primary responsibility for economic policy, will the Deputy Prime Minister not

recognize that her colleague's diverse holdings pose a major problem in so far as cabinet operations are concerned, since he cannot become involved in a number of major economic issues?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, even the Bloc Québécois should not be so presumptuous as to suggest that a person with business holdings in Quebec has no right to be a member of the federal cabinet. That would be ridiculous.

If the hon. member wants to discuss the ethical behaviour of the Minister of Finance, he should note that in 1989, the minister was the first person to disclose the full extent of his business holdings to all Canadians. I think that there is a place in Parliament for members like myself who do not have any holdings, as well as for others who do have such holdings. This makes for a sound democracy.

Mr. René Laurin (Joliette): Mr. Speaker, I would like the Deputy Prime Minister to understand that we are not attacking the minister's credibility, integrity or honesty.

I am simply asking her if she is prepared to concede that the Minister of Finance could be faced with a very delicate, conflict-of-interest situation since one of the companies he owns has three lawsuits pending against the federal government.

[*English*]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the finance minister has put the dealings of his companies into a trust which is not in any way influenced by any of his actions.

To follow through on the hon. member's implication, which I find extremely distasteful, the implication is that because the finance minister has had past successful business dealings he should not be sitting in the cabinet of the Government of Canada.

It seems to me if one wants a balanced approach one needs to have people in cabinet, in caucus and in government who have some strong connections with the labour movement, with the business community and with social activists. That is what democracy is all about. For heaven's sake, I think Paul Martin is an excellent addition to a cabinet team.

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MEMBERS OF PARLIAMENT

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

Mr. Speaker, yesterday you encouraged this House to be more civil. The Reform Party has promised to bring civility to this place. However, as early as three years ago a member opposite was referring to our leader as the David Duke of the north. Supporters of the Liberal Party were encouraged to refer to Reformers as racists or bigots. Even when we had only one

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member in this House derogatory comments were made about Reformers by members opposite when they were in opposition.

My question is direct and simple. Is the Deputy Prime Minister prepared to stand in this place today and promise to persuade her colleagues that the rat pack days are over?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, first of all the statements attributed to me were never made.

The member should know the statement I made three years ago was very specific about the nature of Reform Party policies passed at its 1990 convention. I stated that those policies were racist. In fact the party decided subsequently to withdraw those policies.

Second, I may be wrong but I thought I saw the hon. member or one of the hon. members who lays claim to the label of redneck standing and bowing in the House yesterday, happy with the fact that he personally calls himself a redneck.

If the member has a problem with the term redneck I suggest he should address his difficulties to his own colleagues in his own caucus. Obviously there are a number of them who are proud to be called rednecks.

(1125)

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, it is the prevailing attitude that we are addressing.

We on this side of the House are here to do a job on behalf of Canadians and contribute to the debates on the great issues of the day.

I ask the Deputy Prime Minister if we can end this week with a promise to all Canadians that the personal insults hurled from the government benches will stop.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is certainly the wish of the people of Canada that this place get down to serious business.

I read comments attributed to the hon. member's leader in the newspaper this week where he suggests he feels compelled to introduce a code of conduct on drinking and running around. That is because he had personal knowledge that people in the energy industry used this information to influence the political positions of members of Parliament. I must say I find that position rather reprehensible and abhorrent.

I hope everyone in this House realizes that the job of this Parliament and this government is to get Canada working again and not to spend time passing slurs on members of Parliament.

The Speaker: I might interject there is no one in this House and there is no one in Canada who would be happier than your Speaker if we could agree on if not a code at least an agreement that we would not be going back and forth with insults of any kind.

With that in mind I call on the hon. member for Simcoe Centre.

Mr. Ed Harper (Simcoe Centre): Mr. Speaker, the Reform Party is quite capable of looking after its own members. In no way are we trying to impose that on members of the other side.

I thank the Deputy Prime Minister for her comments. If we are to end this week on a civil note, I would ask if the Deputy Prime Minister will ask the minister of aboriginal affairs to offer an apology to the member for Athabasca.

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, all hon. members will agree that the real business of this House is the problem of the literally thousands of Canadians who are without work and who are looking to us for some leadership.

It seems to me there has been a fairly vigorous exchange of comments in this House. I have to tell the member that over my years in Parliament I have been called many things. Frankly, I am not going to spend the time of this House worrying about what somebody said about me yesterday, the day before, last week or last month.

I would tell the hon. member that the job of the House today is to start giving some thought to the crucial issues, for example the unemployment situation across this country.

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[*Translation*]

NATIVE COMMUNITIES

Mr. André Caron (Jonquière): Mr. Speaker, my question is directed to the Deputy Prime Minister.

In his annual report tabled yesterday, the Canadian Human Rights Commissioner sternly denounced the treatment inflicted upon native communities in Canada.

While taking a stand in favour of self-government, he warned the government that this was not a miracle cure and urged it to put an end to the segregation and paternalism fostered by the Indian Act.

What strategy, including concrete actions, does the government intend to put in place to implement the Human Rights Commissioner's recommendations and bring an end to the economic dependency created by the Indian Act, which is at the origin of the severe social problems gripping several native communities in Canada today?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, the hon. member is quite right when he says that there are no miracle cure for native communities' problems. There is not only one but several native communities in Canada, just as there are several anglophone communities.

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I think that the strategy adopted by the Department of Indian Affairs, which even tried to have its name changed because this paternalistic overtone did not reflect the place, the equal place native communities must have in our society, takes that into account. As the minister mentioned earlier, he is negotiating native self-government agreements to ultimately put his department out of business.

(1130)

I would say that these are the two pillars of a great policy to advance the cause of equality for all natives peoples of this country.

Mr. André Caron (Jonquière): Mr. Speaker, I think that the government should be especially diligent seeing that the Indian Act presently in effect was sponsored by the current Prime Minister back in the early 1970s.

Does the government not realize that it can give a real positive indication of its willingness to improve the status of native people by ensuring, as promised, the prompt return to the mainland of the Innu community in Davis Inlet?

[English]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is statements like that, obviously based on an incomplete knowledge of the facts, that lead people to get the wrong impression.

The member says that the Prime Minister is author of the current policy on Indian Affairs. The Indian Act was around approximately 75 years before the current Prime Minister came to the House of Commons. To suggest that somehow he is responsible for all the problems that face the aboriginal communities is absolutely false.

The Prime Minister and the Minister for Indian and Northern Affairs are working extremely hard to move toward self-government. His personal commitment, the commitment of the Prime Minister to abolish the department of Indian and Northern Affairs, is a real reflection of his understanding that we do not need paternalism in government policy. What we need is equality and that is what we are moving toward.

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THE ECONOMY

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, my question is also for the Deputy Prime Minister.

Yesterday the Liberal Government of Newfoundland announced that it would balance its budget next year. In a budget

distinguished by the absence of any new taxes or job creation programs, Finance Minister Winston Baker stated:

We must not make commitments today that will place an unmanageable financial burden on the taxpayers of tomorrow. We can no longer mortgage our children's future for short term political gain. That was the way of the past.

The economic challenges facing Newfoundland are certainly as serious as those of the federal government. If Newfoundland can commit to a balanced budget, why can the Government of Canada not do the same?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, the question is very appropriate. I think we should all congratulate the Newfoundland government on its fine effort.

I point out to the hon. member that the principal reason the budget is so close to being balanced, according to its finance minister, is the generous treatment under equalization by the federal government.

Mrs. Diane Ablonczy (Calgary North): Mr. Speaker, Canadians are saying that steps need to be taken now to quit living on borrowed money. One of the signals many Canadians are telling their elected representatives they want to see is a reform of the gold plated pension plan of members of Parliament.

When will the government respond to public outrage over a plan which gives MPs a pension for life after only six years in office?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, maybe it is because it is Friday; pensions seem to be a Friday question.

The fact is that the government has committed itself to reform of the pension plan. The Prime Minister has stated unequivocally during the election, after the election, in the House and outside the House that he feels the age for receiving the pension should be reviewed. That is part of an overall review which includes the issue of double dipping.

I know the member would want to reflect on the fact that several members in her caucus are currently receiving pensions from various departments of the Government of Canada at the same time as receiving their salaries.

Obviously the pension issue is a complex issue. We will be introducing some very specific changes, but to suggest that the Government of Canada is going to solve its financial problems by a review of the pension system for 295 MPs is not a fair reflection of the fact that our financial problems are much more significant. They require some structural changes to the economy which we intend to carry out.

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(1135)

*[Translation]***UNEMPLOYMENT**

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, my question, which is for the Deputy Prime Minister, has to do with an everyday problem, since it concerns the tragic situation of unemployment.

The Minister of Human Resources Development was strongly criticized by a number of people representing social groups, during a discussion on the reform of social programs, in Toronto. Several participants accused the government of wanting to fight our country's economic problems on the back of the poor and the unemployed who need social programs. The Prime Minister was also criticized in New Brunswick on this issue.

Does the Deputy Prime Minister agree that, as one participant put it to the Minister of Human Resources Development, "the problem is unemployment, not unemployment insurance and not social security programs", adding that "the government tries to solve economic problems through social programs"? Does the Deputy Prime Minister share that view?

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is obvious that changes in Canada's industrial sector are triggering major disruptions. In my riding, some workers are directly concerned because the steel industry can now produce a lot more steel with far fewer workers. Traditional jobs, which we were very proud of, are disappearing, in the steel industry as well as in other industries. These jobs must be replaced.

What the Minister of Human Resources Development is trying to do, with the co-operation of every department and province, is to set up a support system for those who will never be able to work again. The minister also wants to give those who are capable of working, and who are looking for work but cannot find any, the necessary tools to adapt to the new industrial reality.

Let us take the case of a 40 year old person who had always worked in the steel industry before being laid off. This person needs to be retrained to develop new skills and have access to new opportunities. This is what we are trying to do by bringing in changes which are very hard to make but also very necessary to ensure our competitiveness in the 21st century.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup): Mr. Speaker, now that she is sitting on the other side, the Deputy Prime Minister seems much less sensitive to the plight of the unemployed.

Does she agree that, instead of targeting the poor by reforming social programs, the government must implement a real job

creation program, in compliance with the consensus reached during the G7 Summit on Employment?

[English]

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I do not think that as a member of the government I am any less sensitive to the people in my riding who have lost their jobs than the member opposite. I accept the fact that every member in the House hurts when a person in their riding loses a job.

The fact is that we need to put in place specific strategies on the one hand to make sure we are protecting the aged, the sick, and those people who have no chance, no means or no need to re-enter the workforce. They must have their income levels protected. At the same time we have to ensure that those people of my age who see the old jobs disappearing have the tools they need to get back into the productive workforce.

It is a delicate balancing act. It is going to cause some pain, but we will have to do it because without the pain of the change in the workforce we will end up in the 21st century with no new jobs for those people in my age group who need to get back into the productive workforce.

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HOCKEY CANADA

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, my question is also for the Deputy Prime Minister.

As the Deputy Prime Minister is aware Mr. Alan Eagleson, a former board member of Hockey Canada, is under indictment in the United States and awaits an extradition hearing in Canada.

Meanwhile serious questions have been raised about the financial dealings between Mr. Eagleson and Hockey Canada, a federal non-profit organization created by the Government of Canada and subsidized by the taxpayers of Canada to tune of over \$3 million.

(1140)

Would the Deputy Prime Minister provide to the House full financial disclosure of all aspects of Hockey Canada including the air travel logs and detailed income and expenses for Hockey Canada since Hockey Canada has been incorporated?

Hon. Michel Dupuy (Minister of Canadian Heritage): Mr. Speaker, as minister responsible for amateur sports I may be in a better position than the Deputy Prime Minister to answer the question.

It will be appreciated that the matter is the subject of court action and therefore it is inappropriate to comment on it. Quite apart from the court action, I would say that some money has been provided under the Canadian Heritage program to Hockey

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Canada. There is no evidence that any of that money could have been misallocated and therefore cause a source of concern.

Mr. Ian McClelland (Edmonton Southwest): Mr. Speaker, if the minister recognized parts of that question it is because it was a question essentially put to the House 15 months ago by a present cabinet minister of the government to the previous government. The problem has been ongoing and the same essential evasion of an answer has been ongoing for quite some time.

Be that as it may, my supplementary question would be to the Minister of Justice. Would the minister assure the House of the government's full legal co-operation in pursuing the extradition of Mr. Alan Eagleson to face trial in the United States?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, the extradition proceedings provided in the Extradition Act contemplate an application to court which may or may not be made if extradition is sought and ultimately a procedure by which I may be asked to pass upon the application for extradition proper.

I do not think it is appropriate for me to comment, other than to assure the hon. member that I have every confidence the system will work as it should.

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[Translation]

NATIONAL DEFENCE

Mr. Antoine Dubé (Lévis): Mr. Speaker, my question is for the Deputy Prime Minister. In a report on the defence choices that Canada must make in this post cold war period, a think tank called the Canada 21 council made some thirty recommendations on defence and security. It recommended among other things, that Canada builds three support ships for humanitarian aid and peacekeeping.

Could the Deputy Prime Minister commit herself today to implement this recommendation of Canada 21 and give the MIL Davie shipyards a mandate to develop the smart ship, a ship that could effectively support the Canadian contribution to peacekeeping?

[English]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I thank the hon. member for his question. I think it is a good question.

The Canada 21 report the hon. member refers to was the result of a blue ribbon panel that looked at the overall security of Canada. I tell the hon. member the department has reviewed the recommendations at first blush and is still looking at them in detail. Some of the recommendations are not necessarily condu-

cive to the Department of National Defence because they refer to security in the overall sense.

We are looking at all the recommendations. While I would not want to comment on this one specifically, I would take this opportunity to say that one of the strong recommendations with respect to defence is that a defence policy review be conducted. I am pleased to report to the House that it is well under way.

[Translation]

Mr. Antoine Dubé (Lévis): Mr. Speaker, I would like to ask the Deputy Prime Minister a supplementary question regarding the MIL Davie shipyards. Could the Deputy Prime Minister tell us who in the government will be in charge of putting the case for the MIL Davie shipyards, one of the most important in Quebec, since the Minister of Finance, also responsible for regional development in Quebec, will not be in a position to uphold the campaign commitments of the Liberal Party due to his personal interests in marine transportation and to his reluctance to even talk about it to his Cabinet colleagues?

(1145)

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it is quite clear that marine transportation policy is a responsibility of the Minister of Transport. Indeed, he has answered questions on the matter, in the House, on several occasions. The hon. member said, as did his colleague, that the Minister of Finance did not have the right to act in certain areas or to set policy because he was formerly in business. This is a disgrace.

When you talk to Ghislain Dufour, he asks that more businesspersons come to Parliament. This is the second time that the hon. member tries in one way or another to suggest that things are not right because the Minister of Finance was previously in business. This is unfair.

Let me just add that the Minister of Transport already made some commitments in this House regarding the smart ship.

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[English]

AGRICULTURE

Mr. Murray Calder (Wellington—Grey—Dufferin—Simcoe): Mr. Speaker, my question is for the minister of agriculture.

U.S. agriculture secretary Espy is quoted as saying he will take unilateral action if an agreement cannot be reached the next time he meets with his Canadian counterpart. Secretary Espy wants a cap on wheat exports to the U.S. and zero tariffs on poultry, dairy products and eggs.

What assurances do we have that the minister of agriculture will stand up for the rights of Canadian farmers in dealing with the United States?

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Hon. Ralph E. Goodale (Minister of Agriculture and Agri-Food): Mr. Speaker, I want to thank the hon. member for his question. It is on subject matter about which I know he cares very deeply.

I spoke by telephone this morning with the United States Secretary of Agriculture, the Hon. Mike Espy. We explored in that conversation whether we were close enough in our respective positions on Canada-U.S. agriculture trade to make a face-to-face meeting between us sometime next week a productive undertaking. Obviously we are dealing with some very difficult issues.

We may well have further communications later today and there may be the possibility of a useful meeting between the secretary and myself at some point next week.

The member asks what assurances can be offered of our intent to stand up in defence of Canadian farmers. Such assurances have already been offered in the House and elsewhere by me as minister of agriculture, by the Minister of Foreign Affairs, by the Minister for International Trade and by the Prime Minister and that will be very much the approach we take into any further meetings with the United States.

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GOVERNMENT EXPENDITURES

Mr. Ken Epp (Elk Island): Mr. Speaker, my question is for the Minister of Finance.

The budget calls for spending \$163 billion in the upcoming fiscal year, some \$40 billion of which will have to be borrowed. Spread out across the population of Canada this works out to spending about \$1,500 per family per month of money that is collected in taxes and other revenue and spending an additional \$500 per family per month of borrowed money.

My question for the minister is this. In view of the fact that there are thousands of families who do not even make \$2,000 per month and many more for whom that is away too much, will the minister acknowledge that this level of spending is away higher than we can sustain in the long run?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, as the hon. member knows, the borrowing bill C-14 is in front of the House today and the figures quoted in his question are substantially off. If he refers to the debate that is taking place, and to his members who are participating in the debate, he will get his figures correct.

The government is, as is every Canadian, very worried that there is such a fiscal demand on the government. We have a very clear plan over the next couple of years. The member will be happy to see the plan succeed so our deficit will be under control.

Mr. Ken Epp (Elk Island): Mr. Speaker, I was using the number \$39.7 billion as the deficit. I was aware that \$35 billion is the amount that is in the current request for borrowing.

Will the government undertake to formulate some achievable goals for deficit and debt reduction and state them, and to challenge the people to work together? In other words, I would like to know whether we can expect, sometime in the foreseeable future, that we can stop adding to the debt.

(1150)

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I am somewhat surprised by the question because the government has answered it several times. The budget documents state quite clearly what our plan is. We are on target. The figures show that the deficit is under control.

We will continue to monitor the situation very carefully on behalf of all Canadians and within the coming years we will see the light at the end of the tunnel and have a balanced budget.

* * *

[Translation]

FEDERAL DEFICIT

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, my question is for the Deputy Prime Minister and is along the same line as the one asked by the hon. member who spoke before me. I hope that she will not mind if I ask her a question that would normally be for the Minister of Finance.

We are told this morning that the federal deficit for 1993-94 will reach a new record level. As a result of upward pressures on the deficit at the end of the fiscal year, it could top \$45.7 billion at some point during the last two months of the current fiscal year.

Would the Deputy Prime Minister confirm that the federal deficit could exceed the record level of \$45.7 billion forecast in the budget?

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I thank the hon. member for his question.

[English]

I think that we are all encouraged by the recent figures Stats Canada released showing that the deficit for the current fiscal year seems to be somewhat improving as the year goes on. However, we feel it is more appropriate to discuss the total picture at the end of this year and not on a month-to-month basis.

[Translation]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead): Mr. Speaker, my question has nothing to do with month-to-month accounting, but I would still like the government spokesman to tell me if he can make a commitment, on behalf of his

government, that specific expenditure reduction measures will keep the deficit from exceeding the record level of \$45.7 billion forecast for the current fiscal year?

[*English*]

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, every minister is very conscious of the limits within his or her department. Every effort is being made to monitor the situation not only on an annual basis but on a month-to-month basis.

We are confident that the figures presented in the budget will be followed and monitored throughout the current fiscal year and that we will be on target next March.

* * *

IMMIGRATION

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, my question is for the Minister of Citizenship and Immigration.

During the last three months my constituents sent me only letters critical of the current rate of immigration, none suggesting that the current rate is acceptable or that it should be increased.

Could the minister please give a simple and short answer to the following simple and short question? How many Canadians have contacted him in his capacity as minister in recent months with comments critical and supportive of the number of immigrants he is planning to admit next year?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, if the member's experience is anything like mine then each day and each passing week brings a wide variety of representations by letter or by telephone on issues that face us. Of course it is no way in which to fashion public policy. What is important in fashioning public policy is meaningful consultation.

In response to the hon. member's question, may I point out that the 1 per cent of population immigration figure, which is used for this year, arose from broad consultations which took place by the last government during 1993 when eight public meetings were held across the country involving hundreds of Canadians from all segments of society.

May I point out as well that the 1 per cent reflects a platform on which this party sought and won election last fall. May I lastly point out that the minister is committed to a process which he announced on February 2 for a review of the 10-year framework for immigration policy in which all Canadians will

Oral Questions

have an opportunity to participate, including those who may have written and phoned the hon. member's office.

(1155)

Mr. Herb Grubel (Capilano—Howe Sound): Mr. Speaker, I gave three days' notice to get a numerical answer that I believe and legal counsel told me is an appropriate question to ask of the minister.

I would like to know how many people have contacted the minister—

The Speaker: Order. I think the hon. member would be able to get that information by putting a question on the Order Paper. You will permit me to note that a direct answer cannot be given for obvious reasons.

Perhaps if the question were put on the Order Paper, we could get an answer for the hon. member.

* * *

HAZARDOUS MATERIALS

Mr. Julian Reed (Halton—Peel): Mr. Speaker, my question is for the Minister of Health.

In December 1993 a resident of the constituency of Halton—Peel experienced an alarming accident when a cotton housecoat she was wearing caught fire causing a powerful blue flame.

During the investigation of this incident, a federal lab report indicated that the flammability of cotton is significantly increased with the use of household fabric softeners.

What measures have been taken to publicize and correct these hazards?

Hon. Diane Marleau (Minister of Health): Mr. Speaker, I am aware of the incident that the hon. member has brought up. A woman wearing a terrycloth robe leaned across a lit candle and there was a flash flame across the terrycloth. Fortunately there was no injury although it was a frightening experience.

I am also aware of the report that says a fabric softener may increase the flammability of certain types of material. Unfortunately only one kind of material was tested in this report so we cannot draw definite conclusions.

We are continuing our study of the matter. Let me reassure Canadians through you, Mr. Speaker, and the hon. member as well, that textile flammability regulations under the Hazardous Products Act which were brought in in 1971 have been extremely effective in preventing flammable textiles from staying on the market.

We certainly intend to continue enforcing—

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[Translation]

HUMAN RIGHTS

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, my question is for the Minister of Justice. In his annual report, the Commissioner of Human Rights reveals that the federal government goes against several of its own legislative provisions by allowing Revenue Canada to deny homosexual couples access to various fringe benefits given to heterosexual couples.

Does the Minister of Justice intend to propose amendments to applicable Canadian legislation in order to put an end to this type of discrimination against homosexual couples?

[English]

Hon. Allan Rock (Minister of Justice and Attorney General of Canada): Mr. Speaker, in its campaign for office, in its throne speech and in statements made subsequently in the House, the government has committed itself to amendments to the Human Rights Act which will add sexual orientation as a ground on which discrimination is prohibited.

We intend to follow through on that commitment.

* * *

KEMANO PROJECT

Mr. John Cummins (Delta): Mr. Speaker, it is the opinion of many distinguished scientists that the Kemano completion project has the ability to devastate wild salmon in the Fraser River system.

Currently the effect of this project is being monitored and is under review on the Nechako basin alone by the B.C. Utilities Commission hearings. The Rivers Defence Coalition, a coalition of groups opposed to the project, have expended their resources and are being forced to withdraw from the hearings.

What steps will the Minister of Fisheries and Oceans take to ensure that the public interest represented by the Rivers Defence Coalition continues to be heard at the hearings?

Hon. Brian Tobin (Minister of Fisheries and Oceans): Mr. Speaker, following a number of conversations I have had in the last few days, including a conversation yesterday with the member who has just put the question, I have been attempting to ascertain all of the facts with respect to the continuance of the hearings and the participation of all relevant groups.

(1200)

I have had an opportunity to discuss this matter with interested colleagues, including my colleague and friend the Minister of the Environment. Once we are in possession of all the facts we have undertaken to see whether there are additional appropri-

ate measures which can be taken by the Government of Canada to ensure that indeed the commitment of the Prime Minister to open and transparent hearings is fulfilled.

We want the truth, the whole truth and nothing but the truth to come forward in the days ahead.

ROUTINE PROCEEDINGS

[English]

IRVING WHALE

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, it gives me great pleasure to table a number of documents in both official languages in relation to the *Irving Whale*. They include the risk assessment of the *Irving Whale* salvage options, the final report, the *Irving Whale* salvage feasibility study, and the *Irving Whale* survey.

* * *

GOVERNMENT RESPONSE TO PETITIONS

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

* * *

IRVING WHALE

Hon. Sheila Copps (Deputy Prime Minister and Minister of the Environment): Mr. Speaker, I rise today with good news. I wish to advise the House that the Government of Canada intends to lift the sunken oil barge *Irving Whale* in order to avoid environmental disaster.

People living on Prince Edward Island will be happy that this cloud hanging over their heads will finally be lifted.

[Translation]

The people of the Magdalen Islands will also be glad to know they will no longer be threatened with pollution from the time bomb that is the *Irving Whale*. As well, the tourism industry and the lobster fishery will be threatened no longer.

My colleague, the Minister of Transport, and I have carefully assessed all available information and we have decided to put forward a proposal to raise and salvage the *Irving Whale*. This is an excellent example of co-operation between our two departments. Transport Canada and Environment Canada have worked together in a prompt and efficient manner to solve an old

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problem. The *Irving Whale* has been lying on the bottom of the sea for 8,593 days, threatening to spill its oil at any moment.

Mr. Speaker, I am quoting from a report of a former Environment Minister, who is now Leader of the Opposition. This report, tabled in September 1990, called for immediate action to deal with the *Irving Whale*. The report was released by the Minister of Environment of a previous Conservative government, namely Lucien Bouchard. Since then, it is obvious that nothing has been done to raise the barge. It took this government only 135 days to find a solution.

[English]

The *Irving Whale* has been lying on the bottom of the ocean for 8,593 days. Those 8,593 days did not pass without comment and outrage from the people of Atlantic Canada and the Magdalen Islands.

More recently, in 1989 the Leader of the Opposition while Minister of the Environment with much pomp and circumstance commissioned the Brander-Smith report. It reviewed tanker safety and marine spills response capability.

(1205)

In meetings throughout Atlantic Canada during his tenure in 1989 the commission was repeatedly warned about the threat the *Irving Whale* posed. It was warned in Halifax. It was warned in Saint John. It was warned in Charlottetown by Prince Edward Island's Minister of the Environment. Unfortunately, the minister of the day did not act.

[Translation]

The review report announced, as I mentioned earlier, by the former Environment Minister, says, on page 127, and I quote: "The barge *Irving Whale* sank in the Gulf of St. Lawrence. No attempt was made to salvage the barge or its cargo". Despite the condition of the barge, nothing was done.

[English]

In the same report recommendation 613 on page 131 states that a decision must be made as to whether or not to remove the oil or raise the barge. However nothing was done.

It took this government only 135 days to listen to the concerns of residents of Atlantic Canada and the Magdalen Islands and to make a decision to find a solution to this problem.

[Translation]

The *Irving Whale* sank in September 1970 and lies in 70 metres of water off North Point, P.E.I. It contains an estimated 3,100 tonnes of Bunker-C oil. We are taking this action today because we know that an ounce of prevention is worth a pound of cure.

Of course, the proposal to raise the *Irving Whale* will undergo an environmental assessment and the public will have the opportunity to comment before a final decision is made.

Public consultations will begin shortly and will include the fishing and tourism industries, environmental groups, municipal officials and the general public. Public meetings will be held in Quebec, as well as on the Magdalen Islands.

[English]

Public hearings will also be held in Prince Edward Island, Nova Scotia, New Brunswick and Newfoundland. We will begin immediately with the preparatory work including planning, contracting and the environmental assessment review. If the government's proposal is supported by the environmental assessment and the public meetings, the lifting will take place this summer if possible, but the summer of 1995 at the latest.

Raising the *Whale* could be completed in about 40 days, half the time it would take to pump the barge. This option will remove all possibility of future pollution. Once the *Whale* has been raised it will then be moved to a suitable location to be pumped and cleaned under controlled conditions.

This site has been regularly monitored by air and surface for years and still is. Last September a combined operation by the Canadian Coast Guard and the Canadian Navy successfully capped leaking vents and reinforced the tank hatches.

As soon as the weather permits, divers will be going down to verify the condition of the barge. This will ensure that the *Irving Whale* will not leak until it is lifted.

The private sector has completed three reports on the removal of oil from the *Irving Whale*. As promised in this House, I am happy to table them today.

[Translation]

Based on the best technical and scientific information available at this time, and taking into account the report's findings, the Minister of Transport and I believe the best option is to raise the barge and remove its cargo.

Analysis by the Canadian Coast Guard shows that raising the barge is safe, technically easier and more cost-effective. Raising it will cost about \$10 million while the cost of pumping the oil from the bottom would cost \$27 million.

[English]

Lifting also presents the least risk to the environment and to the safety of those involved in the operation. As well a lifting operation uses known technology, leaves no residual oil and is less prone to uncontrolled cost escalation and time overruns.

I want to publicly acknowledge the work of the Minister of Transport on this important issue. I particularly want to acknowledge the dedication of the public servants in both departments who worked very hard to pull this package together

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from the perspectives of financing and the technical applications.

(1210)

I would be remiss if I did not also publicly acknowledge the leadership role played by the minister responsible for Prince Edward Island, the Secretary of State for Veterans. As we speak he is on the island viewing this presentation. Also there are the members of Parliament from the respective regions, including the hon. member for Egmont who worked very hard on this issue and the hon. member for Malpeque who particularly brought a new perspective to the issue.

[*Translation*]

And also the hon. member from Îles-de-la-Madeleine, who worked very hard to resolve this issue.

[*English*]

Mr. Speaker, the hon. member laughs. The member should not laugh because this government can be darn proud of the fact that in the short period of 135 days it has been able to solve a problem that had been hanging around his government for almost nine years.

I am quite proud of the fact that we got our act together. We found the financial tools necessary and we are going to raise the *Irving Whale*.

Based on the assessment of all available information, the Canadian Coast Guard and Environment Canada are proposing to raise the *Irving Whale*. This solution is the best suited to fully resolve the problems. This solution also poses the least risk in terms of the environment and human safety.

I want to emphasize that the government is committed to a thorough and complete environmental review of the proposed action. We will give serious consideration to all new information brought forward during the environmental assessment and consultation process.

Finally I want to thank my hon. friend, the Minister of Transport, for his commitment and co-operation in helping develop this solution. I also again want to thank my colleagues, the hon. Secretary of State for Veterans and the hon. members for Egmont, Malpeque and Bonaventure—Îles-de-la-Madeleine who have been working so hard to find a solution to this potential disaster.

[*Translation*]

Mr. Jean-Guy Chrétien (Frontenac): Mr. Speaker, as an ecologist and a recognized environment specialist, I can only welcome this announcement. As a matter of fact, I took an interest in the *Irving Whale*, a potential ecological time-bomb, as soon as I became the opposition's environment critic.

On January 21, I had the honour to ask my very first oral question in the House. It concerned the *Irving Whale*. Since then, both my constituency office and my Ottawa office have been receiving phone call after phone call, and numerous faxes, either from the Magdalen Islands or Prince Edward Island.

All these messages told me something very strange. People in that part of the country are concerned about two things. First of all, they want this carcass to be emptied of its content ASAP. And second, they wonder who will pay for the clean-up operation on this time-bomb. That is not even mentioned in the minister's statement.

As far as my first question is concerned, we were told this afternoon that the barge was going to be raised. This proposal will go ahead provided it clears the public hearings process and the environmental assessment review.

My understanding is that the three reports tabled here at noon are aimed at finding the best solution to get rid of this danger. How is it then that the environment factors were not taken into account?

(1215)

There is a chance that the proposed solution, which is to raise the barge, will not pass the environmental assessment review process, in which case we will be back to square one.

Those three studies have already cost a significant amount of money. It is fine and dandy to hold public hearings, but if they lead to different conclusions from the ones in the report, does that mean that the latter are skewed and that we must start all over again?

We are running out of time. Therefore, I suppose that the hearings in question will be more like briefings, especially since the Easter-Gagnon committee already consulted people two weeks ago. And then the minister comes in this afternoon and announces that there will be further consultations. Well, if the Easter-Gagnon consultations were so efficient, why do we need more? To spend more money? To stage a show for the media? I wonder.

I now wonder about the work carried out by the Easter-Gagnon committee, which held two series of hearings at the beginning of March 1994 with more than 25 groups, associations, municipalities, political parties and individuals, since the minister just announced with much pomp and circumstance yet another series of public consultations. Is this another way to postpone, I repeat, to postpone action? Setting up committees and undertaking reviews is fine, but a government that takes action is even better.

As for the second solution, not a word. Irving, which still owns the barge, gets off scot-free once again. Twice in 24 years, with the same party in power.

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I believe, like most residents of that region and like all members of the Bloc Québécois who are asking serious questions, that taxpayers should not have to pay for this cleanup. Bloc members will keep their eyes open to track the real costs directly related to this wreck.

True, the *Irving Whale* has been lying off the islands for 8,593 days, but let us not forget that, of these 8,593 days, 3,450 were spent under the Conservatives and 5,308 under the Liberals. To these 5,308 Liberal days, we must add all the days to come until the summer of 1995.

If the minister is proud of herself and her colleagues, I know many people earning their living from the sea who want this *Irving Whale* business to end as quickly as possible.

The problem is simple. For a quarter of a century, a barge containing 3,100 tonnes of bunker C has been lying on the bottom of the ocean 70 meters below the surface, off the Magdalen Islands and Prince Edward Island.

(1220)

Rust is doing its work slowly but surely.

The Irving family was compensated for the loss of its oil tanker by its insurance company. Someone must be bright enough to decide that this wreck cannot be left on the bottom of the ocean for another quarter century, and someone must take the initiative to raise it while there is still time.

As the Minister of the Environment said, we have decided to raise the barge because we know that an ounce of prevention is worth a pound of cure.

Indeed, every day that the minister spends on reviews and consultations increases the risks. The Bloc Québécois urges the government to move quickly to make those responsible pay and to act safely because we do not have the right to cause an environmental disaster in that beautiful part of Quebec and Prince Edward Island.

In closing, I would like to thank all the people of the Magdalen Islands and Prince Edward Island who regularly contacted my riding office or my office here in Ottawa to give me information, but mostly to share with me their main concern. I am aware today, Mr. Speaker, that if the government acted so quickly after only 135 days, it is because there was on the opposition benches someone who—

Some hon. members: Hear, hear.

Mr. Chrétien (Frontenac): And I will end on this, Mr. Speaker, there was on the opposition benches a critic who cared about the environment and about this issue, and even in the Standing Committee on the Environment and Sustainable Development, I rose at every meeting just to be told, "Wait, wait, we are going to do something".

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Kilger): We can tell it is Friday!
[English]

Mr. John Cummins (Delta): Mr. Speaker, I would like to congratulate the minister on her announcement today. *Irving Whale* has been a ticking environmental time bomb since it sank in 1970 and another Liberal administration allowed it to remain there.

Nevertheless, the minister should be congratulated for this action. At the same time she should be condemned for her inaction on another issue in the gulf area, namely, the proposed pumping of waste water from Scott Maritimes Limited pulp and paper plant two kilometres into Northumberland Strait.

Nearly 30 years ago area residents were told the treatment system for effluent from the Scott Maritimes mill would result in water suitable for swimming or even drinking. The results today include a dead, stinky lagoon and area fishermen say a mile long area of dead bottom near Powell's Point where no plankton grow and no fish swim.

Nova Scotia's current proposal for remedying this situation includes a \$17 million upgrade of the effluent treatment system which it operates, the bypassing of the existing stabilization lagoon and extending the effluent pipeline two kilometres into the Northumberland Strait.

In a letter to you, minister, dated November 8, 1993, to which you have not replied, Mary J. Gorman and Percy Hayne Jr. informed you that fishermen were fed up—

The Acting Speaker (Mr. Kilger): Order. I would just like to remind members to not forget to pass their comments through the Chair and not directly to one another.

Mr. Cummins: My apologies, Mr. Speaker. Mary J. Gorman and Percy Hayne Jr. informed the minister that fishermen were fed up with the daily dumping of 87 million litres of effluent into Northumberland Strait by Scott Maritimes Limited.

(1225)

One, they asked the minister how the federal government can justify agreeing with the Nova Scotia government's recent proposal to pipe Scott's effluent to MacKenzie Head, long considered by fishermen to be a vital spawning area.

Two, they asked whether the federal government can guarantee that the chemicals which have not already flowed into this strait over these past 30 years but which have been accumulated in Boat Harbour settlement ponds will not now be inadvertently piped to MacKenzie Head.

Three, they asked whether the federal government and all parties involved in these negotiations consider it justifiable to diffuse and disperse toxic, bioactive chemicals into our oceans

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which influence sexual maturity and reproduction in fish when alternate technology exists.

Four, they asked whether the federal and all parties involved in these negotiations will lobby Scott Maritimes whose multi-million dollar profits have been subsidized by the taxpayers of Nova Scotia for the past 30 years to consider an alternate bleaching process and once and for all stop polluting Boat Harbour and Northumberland Strait.

The Halifax *Chronicle Herald* called for a full scale public review of the proposed upgrading of the effluent system. The province's \$17 million plan should be tested in the fire of informed debate, they claim.

They go on to say that Atlantic Canada's offshore banks have few enough rich spawning grounds left and the region cannot risk sacrificing more on the altar of political expediency.

We congratulate the minister on the *Irving Whale* announcement but suggest that she not be too self-satisfied because there is another ecological disaster in the making and she should do something about it.

* * *

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 have the honour to present the 12th report of the Standing Committee on Procedure and House Affairs regarding the membership of the Standing Committee on Foreign Affairs and International Trade.

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

* * *

**ELECTORAL BOUNDARIES READJUSTMENT
SUSPENSION ACT**

Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada) moved for leave to introduce Bill C-18, an act to suspend the operation of the Electoral Boundaries Readjustment Act.

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

* * *

[Translation]

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, with leave of the House, I move, seconded by the hon. member

for Windsor West, that the twelfth report of the House of Commons Standing Committee on Procedure and House Affairs tabled earlier today now be concurred in.

The Acting Speaker (Mr. Kilger): Is there unanimous consent?

Some hon. members: Agreed.

(Motion agreed to.)

* * *

(1230)

[English]

PETITIONS

LATVIA

Ms. Judy Bethel (Edmonton East): Mr. Speaker, pursuant to Standing Order 36 I would like to present a petition from Canadians across the country who are concerned about what is happening in Latvia.

Along with the member of Parliament for Parkdale—High Park, over 600 Canadians are asking Parliament to urge Russia to withdraw its troops from Latvia. The people of Latvia have repeatedly demanded the withdrawal of Russian troops from a radar station on their border. They are concerned about the health impacts of radiation from this station.

The Canadians who signed this petition would like the federal government to make future aid to Russia dependent on respect for human rights of the people of Latvia.

CANADA POST

Mr. Jay Hill (Prince George—Peace River): Mr. Speaker, pursuant to Standing Order 36 I would like to present a petition from the residents of Moberly Lake, B.C.

They ask Parliament to enact legislation to change Canada Post policy. People who have received mail at an existing post office for many years are forced to collect their mail at another site of Canada Post's choosing. If they do not change to the new facility they must pay a fee to continue to receive mail at their old location.

These residents do not believe this change-or-pay policy is fair. All Canadians are allowed one free mode of delivery and these residents believe they should at least have the choice of collecting mail at the same site as they have for decades.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

(Questions answered orally are indicated by an asterisk.)

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, question No. 12 will be answered today.

Government Orders

[Text]

GOVERNMENT ORDERSQuestion No. 12—**Mr. Easter:**

Who were the members of the Canadian government's GATT negotiating team from June 1992 through to January 1994, what are their backgrounds and the positions they held prior to becoming members of the team and the dates of their appointments?

Hon. Roy MacLaren (Minister for International Trade): The negotiating agenda of the Uruguay round of the GATT encompassed a wide range of issues. Accordingly, government officials from the Department of Foreign Affairs and International Trade, Department of Finance, Agriculture Canada, Industry Canada (incorporating the former department of consumer and corporate affairs and Investment Canada), as well as Department of Canadian Heritage, Ministry of Transport, Government Services and Justice, took part in the negotiations.

Given the number of officials involved over the two year period covered in the request, it is impractical to track down and list each individual. As such, listed below are the names of our chief negotiator and ambassador to the GATT and the assistant deputy minister, multilateral trade negotiations, Department of Foreign Affairs and International Trade.

Ministers of the crown assume full responsibility for all policy decisions taken by the government during the GATT negotiations.

Ambassador G.E. Shannon, Canadian ambassador to the GATT and chief negotiator, Department of Foreign Affairs and International Trade; appointed 1990

Mr. Germain A. Denis, assistant deputy minister, multilateral trade negotiations, Department of Foreign Affairs and International Trade; appointed 1988

[Translation]

The Acting Speaker (Mr. Kilger): The question mentioned by the parliamentary secretary has been answered.

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

The Acting Speaker (Mr. Kilger): Shall the remaining questions be allowed to stand?

Some hon. members: Agreed.

[English]

The Acting Speaker (Mr. Kilger): I wish to inform the House that pursuant to Standing Order 33(2)(b) because of the ministerial statement, Government Orders will be extended by 25 minutes.

[English]

BORROWING AUTHORITY ACT, 1994-95

The House resumed consideration of the motion that Bill C-14, an act to provide borrowing authority for the fiscal year beginning on April 1, 1994, be read the third time and passed.

Mr. Stephen Harper (Calgary West): Mr. Speaker, I am rising to speak on third reading of Bill C-14, the borrowing bill. I will not waste the time of the House in saying that we are opposed to this bill and opposed to the general budgetary and borrowing policies of the government.

[Translation]

Bill C-14, an Act to provide borrowing authority for the fiscal year beginning on April 1, 1994, will make the national debt increase again in the coming year, with the deficit reaching \$40 billion and the borrowing authority \$34.3 billion. This means that the national debt will grow by nearly \$100 billion over the next three years. That is why we from the Reform Party continue to oppose this bill.

[English]

The parliamentary secretary for finance said in his statement earlier today that generally speaking, and I quote: "this borrowing is a normal part of government operations". That is correct. It certainly has become normal for the Government of Canada to borrow sums of this kind. It is not just a normal part of the Government of Canada, but it has become a normal part of the operations of crown corporations. It has become a normal part of the operations of provincial governments, a normal part of the operations of municipal governments to borrow millions and even billions of dollars.

(1235)

What is the consequence of this? The consequence is that at the federal level we owe half a trillion dollars of debt that will increase under the current budgetary policies by another \$100 billion over the next three years. As a nation we owe publicly, all levels of government, approximately the value of our entire economic output in a single year. That is the consequence of the normal activity of borrowing.

The Prime Minister said earlier this week we borrow from the left, we borrow from the right. We borrow from Canadians. We borrow from foreigners. We borrow for today. We borrow for tomorrow. We borrow to pay interest on what we borrowed yesterday. We certainly do borrow. That is the one thing that governments do. That is the one thing the government does, and

Government Orders

that Conservative governments have done. They borrow, borrow, borrow.

Having said that, let us look at the amount of money involved in this particular act of borrowing. The bill requests authority for fiscal year 1994–1995 for \$34.3 billion borrowing representing a deficit estimated to be at this point, \$39.7 billion.

The parliamentary secretary in his statement in question period suggested that the hon. member for Elk Island was incorrect in his analysis of this, that we are not borrowing any more than \$34.3 billion. That is not correct. We are asking for borrowing authority to go into the marketplace to borrow \$34.3 billion but as I will discuss later in my speech we are borrowing on top of that. We are borrowing from a number of non-budgetary accounts, particularly government superannuation accounts, which themselves represent liabilities of the government.

The member for Elk Island was entirely correct in his analysis although the technical borrowing requirement in this bill is somewhat lower than the borrowing stated in the deficit. I will discuss that at some length.

As I said in my speech at second reading it is hard for ordinary people to get a handle on exactly what these kinds of numbers mean, but let me try to do that. I did that before but let me try to do it again and be a little clearer.

When we talk about borrowing or a deficit of \$40 billion we are talking about the equivalent of enough money to eliminate the goods and services tax entirely and pay it back twice. We are talking about enough money to not only pay our current old age security system but to pay it two more times to every single recipient. Another way of putting it, with money like this we could talk about increasing the budget of every single federal program by over 30 per cent.

That is the consequence of the kind of borrowing and borrowing policies that governments of all stripes and governments at all levels have been pursuing for the past generation.

What are we doing with the money? What is the alternative? One of the reasons we are borrowing as much this year is we have the famed infrastructure program that now is turning into a program for just about anything any municipality wants to do. The federal government is encouraging other levels of government also to borrow additional money to fund new infrastructure projects.

What does infrastructure include? There are traditional and clear economic definitions of what an infrastructure program is. Infrastructure is not simply investment or capital. Infrastructure is those kinds of capital investments that have a use for a wide range of future economic activities.

We began to see the broadening of this definition when we saw convention centres funded under this program. In the city of Calgary the current controversy is the possible funding of the expansion of operations and seats within the Saddledome in order to persuade people to keep the National Hockey League franchise in Calgary. It is part of the bargaining between the Saddledome Corporation, the Calgary Flames and others.

Many Canadians are hockey fans, including myself. Many of the people calling my office to protest this are also hockey fans. But is this really an infrastructure program? Is this the kind of project we want our money to be spent on?

(1240)

I know it annoys other members who have served more than six years but our party puts a lot of emphasis on the need to reduce spending on things like MPs pensions and some of the other perks and even some of the salaries. In particular, we talk about the tax free expense allowances that are extremely generous, non-receiptable, that are included in the pay of every member of Parliament. Why do we talk about them? Not because we believe the deficit could be eliminated by cutting them but because of something I read on an airplane recently.

I cannot remember who said it, but it was an interesting phrase. He said that what concerned him about fiscal policy is that he wished fiscal policy was framed by people who had a stake in its outcome. That is the whole point with the pensions of members of Parliament and why it is a concern when we talk about how we are using the money we are borrowing.

Very shortly, and we will have a debate on this, and it will not be long before the value of the pensions of former members of Parliament will exceed the total amount of money that Canadian taxpayers are spending on current members of Parliament. These are the people who made the decisions that put us where we are today financially. They have made themselves permanent wards of the state so that we borrow, borrow, borrow to support this extravagant scam endlessly. That is why Canadians are concerned about these kinds of expenditures and this level of borrowing.

Let me turn to the red book. The government always insists that we read the red book. Of course we always take those suggestions to heart. Let me spend a little bit of time to talk about what the red book said about borrowing.

I quote from pages 19 and 20 where the government talked about balanced policies for jobs and growth. One quotation is from track two of its economic strategy.

A Liberal government will reduce the deficit.

Under this budgetary policy and the borrowing bill the deficit will be higher than was planned last year. It is supposed to come down after we make accounting changes. It is supposed to come

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down but it is higher than it was projected to be during the time we were debating the red book in the election. In fact it is \$10 billion higher. We have not reduced the deficit.

It says:

We will implement new programs only if they can be funded within existing expenditures.

I admit there has been some cutting and reallocation but expenditures are increasing. In fact program expenditures are increasing so not all new initiatives are being funded within existing expenditures.

The red book said:

Nine years of Conservative government have seen Canada's debt almost triple, from \$168 billion in 1983-84 to \$458 billion today. Despite repeated promises to reduce the deficit, the government has turned in deficits in the \$30 billion range every year: the latest was \$35.5 billion.

Of course that was all accurate. That was the best information at the time the red book was written. But what is the policy today? The policy today is to increase the deficit another \$150 billion in the life of this Parliament. We are going in the same direction the Conservatives had been going in the last 10 years.

Does the budget project a deficit below \$30 billion? Not quite. It says that in the third year we will finally go below \$30 billion but we do not publish the data for the third year or show the columns where we can see the deficit going to \$30 billion. We are merely told to accept that as an act of faith and as an extension of the boom times which we assume are coming.

On page 20 of the red book—the red ink book. I like the red ink book expression.

After nine years of Conservative budgets, the federal government's deficit is 5.2 per cent of gross domestic product. This is too high.

What is the projection in the budget for this year? It is a deficit GDP ratio higher than 5.2 per cent. Off hand I cannot remember but I believe it is close to 6 per cent.

(1245)

The next statement concerns the 3 per cent target and as advocated by the member states of the European Community and the Maastricht treaty, that of course is not entirely accurate. I discussed that in previous debates and I will discuss it today if I have some time.

In any case this budget and these borrowing proposals are very different than the promises outlined in the red book. I would also note, as I have noted before, this is the highest planned deficit and the highest planned borrowing in our history. We have had higher deficits and we may in fact have a higher one after the accounting changes. Last year's deficit may still prove to be higher than this year's. This is the first time we have ever started with a deficit and with borrowing requirements this high.

The tendency has been in the past years for us to be underestimating our requirements and to be exceeding those requirements in the course of the year. Last year's borrowing authority for fiscal 1993-94, Bill C-117, that was given royal assent on May 6, 1993 had requested at the time borrowing authority of \$31.5 billion based on a \$26.5 billion estimated financial requirement. That was for last year. We see in fact that under this bill the borrowing requirement has increased.

The government justifies these policies, this particular level of borrowing, by saying that it really can justify it through two objectives or two goals. One is that it will help us achieve a lower deficit later and that it will help lead the government in its plans toward economic growth and job creation. Let me just express the scepticism as both a taxpayer and an economist that I have about deficits today achieving lower deficits tomorrow and in particular an interim target of 3 per cent of GDP.

I was a supporter at one time of the previous government when it first came to office which used much the same kind of rationale for not dealing with the problem quickly. What did we see in the eighties and early nineties? We saw that as governments refused to deal quickly with their debt and deficit problems they accumulated deficit on top of deficit, debt on top of debt and we have the situation today in which the biggest factor behind the long term deficit and the growth of debt in Canada is not in fact the recession. It is the accumulated debt and the interest payments on that debt.

When we have that kind of a dynamic it makes it very difficult for deficits today, which will add to debt and add to debt charge burden, to lead to lower deficits in the future.

Some members of Parliament of the governing party are apt to refer to the great early 20th century economist, Lord John Maynard Keynes, in justifying this kind of economics. I wonder how many of them have in fact read what Mr. Keynes wrote on this subject and what kind of analysis he used and what kind of circumstances under which he justified these kinds of budgetary policies.

I know the hon. member for Capilano—Howe Sound has, as I have in the past, read these things. We can certainly say that these were not the policies advocated by a learned man such as that. I do not agree with everything he wrote but he never advocated permanent, ongoing structural deficits, not at all.

It is also important to say that he wrote at a time when governments had very little permanent financial obligations of their own. Governments were in fact a source of funds rather than a drain of funds. It was a very different situation and one that cannot be justified at this point.

(1250)

The second point the government has made is that these borrowing policies will lead to economic growth.

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Just as an alternative opinion—our party has a very different economic philosophy—let me read what the job creators of this country said about economic growth and job creation. We know that with governments being as insolvent or increasingly insolvent as they are jobs will come in the future from the private sector. I think the Liberal Party generally acknowledges that fact.

The Canadian Chamber of Commerce in a news released dated February 14 said a million jobs can be created according to preliminary results from entrepreneurs in a study the chamber had conducted. It had 658 responses so far from employers representing a range of sizes of firms, all the way from very small firms to some of the very large firms. It indicated that with the right kinds of economic policies there were capacities within these firms for a total increase of employment of one million Canadians.

The kinds of economic policies it said were necessary, if the debt and deficit were reduced, if payroll taxes and corporate tax rates were lowered, if the government regulatory burden were eased and training and education of the labour force improved, could create an average of 14 jobs per firm in the next three years.

Mr. Mills (Broadview—Greenwood): Ask it to give back the grant it got to do that study.

Mr. Harper (Calgary West): The member says ask it to give back the grant that it received to do that study. I think it would probably be willing to do that. In fact, our party has advocated, with the support of the business organizations of this country, an elimination of most, not all, the major business and industrial subsidies. I know individual firms will fight that but we found no resistance to that policy from business organizations. In fact, it is one of the reasons why many of them have been supporting the Reform Party and, I would add, in increasing numbers since the budget came out.

Those were the policies. What I did not see in that list of policies that the business community said were needed to increase jobs was any mention of an infrastructure program. I did not see any mention of increased spending. It was precisely the opposite. It did not say it needed an extra \$40 billion in borrowing this year and \$100 billion over the next three years. There are a few things in here that are the same as the track the government is on, but the things here are a very different policy than what the job creators say need to be done to create the jobs in this country.

Let us go back for a second to the budget which underlies this particular borrowing bill because it is important to review that and I know I have done this before. The budget is based on a series of economic assumptions. In particular are the following first year assumptions of growth at an annual rate of 3.0 per cent; that interest rates will range in the neighbourhood of 4.5 per cent for the short term benchmark to 6.4 per cent long term; that

inflation will remain low in the 1 per cent to 2 per cent range; and that the ability of the tax system to generate income for the government will recover as the economy recovers. It fell last year from about 17.7 per cent down to 16.1 per cent.

These are all important assumptions and most of them are defensible. However, what happens in the subsequent year assumptions to justify these kinds of targets? Growth is projected to increase permanently to about 3.8 per cent. Inflation will continue to stay at record lows. The revenue GDP ratio that the tax system establishes will rise. Unemployment and job creation will increase. Interest rates will not only fall but stay at record lows.

I would point out, as I did in my earlier comments, that these assumptions are somewhat better than the Progressive Conservative assumptions but very much reflective of the same kind of thinking. After a very short time period we are reasonably pessimistic in the first year but after that we can be more optimistic. What we have is a pattern of record low interest rates, record low inflation, a return to growth, not as high as the Conservatives project, and job creation.

(1255)

What is interesting and I emphasize it again is that overall the government's estimates are more honest than the Conservatives, although still along the same pattern. What is very interesting is the job creation estimate. It is the most realistic estimate in the budget, given the policies of this government.

It is estimated that the unemployment rate will fall from about an 11.2 annual average to 11.1 per cent this year and to 10.8 per cent next year; in other words, an extremely modest, almost no change policy on the total state of the labour force in the country. I say that is a very interesting projection for a government that claims that job creation is its primary purpose.

What this government has done and I commend it for that, although I wish it would be more frank in it, is admit that there is a link between ongoing high deficits and high spending and high levels of unemployment. It has admitted the link for the first time.

Previous governments said that they could keep these high deficits and could engage in gradual reduction strategies, keep deficits very high but the unemployment rate would fall. This government has admitted that as long as it keeps the deficit high, the unemployment rate is going to stay high.

The reason for that is the simple economic fact that the funds needed for job creation are created through private sector investment. Those are the same kinds of funds that governments hit when they go into the marketplace to borrow sums of money in the range of \$40 billion a year.

One problem in the government's projections not just for future years but even for this year—it has come up in the House and I want to raise it again—is the projection on interest rates. In my initial speech on Bill C-14 I had indicated to the House that

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interest rate projections were already about half a point above, on the long term, what they had been projected to be in the budget.

I said that they were between 6.8 and 6.9 per cent. I apologize to the House if I mislead the House on that. I had written that speech a few days before and by the time I had written it, interest rates were then over 7 per cent on 10 year government bonds.

It is interesting in that context to look at the pattern. There is a very definite pattern that has occurred in the financial markets since the budget was tabled and since we had our prebudget debates when the government gave an indication of its direction.

On February 1 and 2 we hit basically a trough not seen in a long time in interest rates in this country. Let me quote interest rates on government securities. We had a bank rate of 3.87 per cent. We had a rate on six month treasury bills of 3.76 per cent and we had a rate on 10 year government long term bonds of 6.4 per cent.

The government projected in its budget that for this year, 1994, the long term rate, the rate on 10 year bonds, would fall to 6.4 per cent which is actually what it was at on February 2 and that it would fall further in subsequent years to around 6.1 per cent.

It projected that the short term rate, and it used as its benchmark the rate on 90 day commercial paper, would actually rise slightly this year to 5 per cent, which is indicated by the term structure, and would stay there for the next several years. Those numbers are actually identical to the projections that the former government used in framing its last budgetary policies.

The rate on commercial paper continues to be below the rate of the government's projection, that is true, but that rate has been continually rising. It has not been rising as fast as the rate on key government securities.

According to today's *Globe and Mail* from the period from February 2 until today the bank rate has gone up from 3.87 per cent to 4.22 per cent. That is an increase of 35 basis points. The rate on six month treasury bills has increased from 3.76 per cent to 4.58 per cent. That is a three-quarter of a full percentage point increase in the time period every single week, most of it is since the budget was tabled. On 10 year bonds there has been an increase from 6.4 per cent to 7.38 per cent. It has been hovering around 7.4 per cent for the last several days, or a full percentage point above what the government had projected.

(1300)

The government has not published all of its interest rate projections for this year, only two. The government continues to

insist it can live with numbers like this and come in at the same target that was projected in the budget. I really question that.

What the government certainly cannot have is a continued increase in the rates over the next several weeks. Even since the bank rate was set last week we have had another quarter cent drop in the value of the Canadian dollar.

That is occurring. We know it and we know why. We know it as individual Canadians when talking to our friends and neighbours. We know it as public policy analysts looking at some of the financial newsletters in this country. People are taking their capital out of this country. They are taking their capital out of Canadian government bonds because they are denominated in Canadian dollars. They are putting it elsewhere because there is an increasing insecurity about the financial state of this particular institution, the Government of Canada.

This lack of caution on interest rate projections is the most serious error by this government in its financial planning. We have a debt structure where a huge percentage of our debt is loaded at the front end. The average term of government debt in Canada is two and a half years. The average term excluding treasury bills is four and a half years. These are very short timeframes and very sensitive to unforeseen increases in interest rates.

The government also provides information in the budget which underestimates the sensitivity of its borrowing to changes in interest rates. It is important to note the sensitivity analysis.

People ask me why if all interest rates went up 1 per cent the government says its debt charge would only go up \$1.7 billion. Why not \$5 billion? Why not 1 per cent of the debt load?

The reason of course is that the debt rolls over. It does not roll over 100 per cent in a single year, but over a very short period of two, three or four years most of it will roll over. The real underestimation in that kind of sensitivity analysis is it does not take into account the fact that the debt itself compounds, not just the interest payments. The debt itself compounds when the level of interest payments and the level of the deficit are underestimated. That is a very serious issue. It is one of the reasons we got ourselves into these kinds of problems.

I remind the government of the importance of real deficit targets. An article in yesterday's *Financial Post* said that the government does in fact have figures for the third and subsequent years of its financial planning period and it is prepared to table those in August. Why in August? Why do we not see them now? I suspect we will get the same story in August as we got in the budget: The situation is much more serious than government thought and it needs to re-evaluate it. We have heard that story before.

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Not only do we have to have a deficit target. Any country in financial problems has to have a debt target. I go back to the fact that the Maastricht treaty does not speak simply of a 3 per cent deficit-GDP target. It speaks of a 60 per cent debt to GDP target. If it is over 60 per cent debt to GDP the only way to achieve that target would be to run zero deficits or even surpluses.

Canada's debt to GDP ratio under this budget even under the government's own assumptions is estimated to rise to a level of 75 per cent of GDP by the end of the planning period. Once again that is only for the federal government and is on a net basis, not on a gross basis which the Maastricht treaty talks about. It talks about gross basis and about all levels of government in the country. These are unsustainable levels.

With respect to the committee and report stages, we agreed to bypass report stage because we are anxious to have meaningful debate and we did not have amendments from committee. Nevertheless I want to mention some things that could have been mentioned in a report stage debate. I did not want to hold the bill up for that, but it is important that we mention it.

(1305)

Once again there are problems in the process and in some technical aspects. We agreed not to have a report stage debate. However we thought that before we had the third reading debate we would at least have the published minutes of the committee hearings. This is another problem. I point out once again how much the government views this entirely as a rubber stamp process.

I do not have those in my hands and I doubt I will today. Just before I spoke I received a transcript of our hearings on this bill. However the public and we do not have published minutes of the committee hearings and debate on the technical aspects of this bill although we went through report stage and are now on third reading.

That is inexcusable. We are not in so much of a rush here that there is not the right of Parliament and the public to have final published minutes and proceedings of the committee that are relevant to the debate we are now having in the Chamber.

Because of that I am going to take a few minutes to outline some of the technical aspects of the bill. I will indicate quickly some of the discussion in committee and how it might be helpful to the government in the future.

The budgetary deficit is projected to be \$39.7 billion. Against that the government is borrowing through internal accounts a sum in the neighbourhood of \$9.5 billion. That is the temporary surplus we have on non-budgetary accounts, mainly superannuation accounts.

The government must cover exchange fund earnings of \$1.1 billion which are included in budgetary revenue but in fact are not available for normal budgetary purposes and a reserve of

contingencies for \$3 billion. This is one of the ways the government gives itself some leeway. Although it commits to keep the deficit within bounds it allows for considerable reserve so that it can have access to more borrowing without going directly to Parliament in this fiscal year. That is how we reached the total borrowing authority of \$34.3 billion, which the public will note is different from the budgetary deficit.

This is not the greatest control system. The budgetary deficit itself includes \$2.4 billion reserves for as yet unplanned expenditures. It is true that Parliament would have to authorize additional expenditures if they were of a non-statutory nature. However these various contingencies of \$2.4 billion within the budgetary deficit and \$3 billion within the borrowing authority itself provide the government with considerable flexibility to err not only in its interest rate projections but also in various other aspects of its financial planning.

There is nothing wrong with a little bit of leeway. However I would think if we got into errors of that magnitude it would be appropriate for the government to have a system whereby it came back to Parliament. It would explain those errors and ask Parliament for the appropriate authority and discuss why it had erred.

One of the problems with the present reserve and contingency requirements is that they are actually open to multiple justification for their usage. We do not have simply a margin of error on an interest rate or a margin of error on statutory spending. Most of these things can be used in one way or another. That is a serious deficiency of this particular process.

There is another important issue raised in committee which the government should examine. That is the nature of its debt management.

There were some technical questions concerning not only the term structure of the debt but also the tendency of the government to borrow almost exclusively in Canadian dollars. It does so at a time when the value of the Canadian dollar is increasingly unstable and there are risk premiums involved. This will increase the cost of this borrowing to the public, to the government and to the taxpayer.

(1310)

It also encourages the government in a somewhat less than responsible attitude toward borrowing. By borrowing in Canadian dollars there is a sense of greater flexibility should there be a financial crisis. With the lower yields offered on other currencies it should consider diversifying and of course reducing that borrowing.

I will end very quickly by reminding everyone of the budgetary situation. The government faces a \$40 billion deficit. It was higher than we had believed even during the election campaign. The government's response has been the smallest of expenditure cuts, even smaller tax measures and the adoption of various programs that are something probably less than effective in

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getting economic recovery. As well it will only add needlessly to our burden.

I oppose the bill. I urge the government once again to reconsider this borrowing and some of the expenditure plans which underlie the borrowing. I promise we will continue to fight this bill and these kinds of policies.

I urge the government to look at its counterpart, the Democratic Party in the United States, which reconsidered in particular the strategy of adding additional spending programs on top of a deficit management situation.

The Acting Speaker (Mr. Kilger): The first three speakers at third reading of Bill C-14 had 40 minutes without questions and comments. We will now go to the next stage of debate which is 20 minutes and 10 minutes of questions and comments.

In recognizing the Parliamentary Secretary to the Minister of Industry would he indicate to the Chair at the beginning of his remarks whether he will be taking the full complement of 20 minutes or sharing his time.

Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry): Mr. Speaker, I am splitting my time equally with another member. I understand I cannot question the previous speaker, but I will begin my remarks by making a comment.

I listened to the hon. member talk about all of the budget cuts the Reform Party would wish for and the cuts in terms of grants to business.

The hon. member even went so far as to suggest that the Chamber of Commerce might be willing to return to the treasury the \$400,000 it received for doing its study on what business recommends in terms of fiscal reform. First I want to say that I in no way, shape or form have anything other than respect for the work the chamber does, but I am not sure that it would return the \$400,000.

I wonder sometimes if the Reform Party realizes that the real challenge for fiscal reform is in the tax act. When the time comes to tackle that problem I wonder whether the Reform Party will remain steadfast to its principle of a single tax system.

With the \$40 billion or \$50 billion worth of tax grants to business, mostly foreign and multinationals, a lot of them in the energy sector, I am wondering whether the Reform Party will remain as committed to the cuts. When I asked this question of the leader of the Reform Party he began to shy off on cutting those tax expenditures. In due course we will really test the Reform Party's commitment to comprehensive tax reform.

I listened to members opposite today talk one after the other about gloom and doom and how there was not anything in the budget that would inspire some hope for Canadians. I could not help but think that a lot of the members had deserted their earlier

commitment to try to be constructive in this House. We have only been here a couple of months and it amazes me that members opposite could not acknowledge anything positive in the budget.

(1315)

I would like to raise something I believe is most meaningful to the small business sector. We heard from members opposite today that we must support small and medium sized businesses. We heard members opposite agree that our greatest hope for putting people back to work rests with the small business community. We all know, because we have all knocked on the same doors and we have all heard from many small business people across the country, that the greatest problem they face today is access to capital.

On pages 4 and 5 of the budget the Minister of Finance announced that for the first time ever we would have a committee of Parliament take on a study of access to capital by small business. This is not a study that includes only government members. This is a study that includes members of the Bloc Quebecois and members of the Reform Party.

Members opposite should have told Canadian people that the government should be applauded for the way in which it has acted so speedily in setting up this study in the industry committee. We have been studying the matter for four weeks. We have heard over a dozen intelligent business people from many regions of the country confirm what all of us have heard about the difficulties of small business. We are already beginning to see signs that the bankers are responding to this very difficult problem that exists in our country today.

It is important that we as members of Parliament not criticize just for the sake of criticizing. By the way I accept constructive criticism. There are some areas in the budget that are tough for all of us. We have never had a perfect budget. It is tough. We have a tough fiscal situation. At the same time we have to acknowledge the fact that we are starting to see some movement in access to capital for small business. All members of Parliament should be delivering that message of hope to their constituents.

We can be tough on the banks in the House of Commons, but at the same time we should acknowledge when banks and bank managers begin to respond. I am not saying the process is complete. Last week the Canadian Imperial Bank of Commerce announced the appointment of an ombudsman for its bank. Small and medium sized business people who are having difficulty at the branch level could go to the ombudsman to seek fairer treatment. Today the Toronto-Dominion Bank set up a three-person ombudsman system. It is almost like a court of appeal for people who are having difficulty.

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These are only beginnings but I believe they are important beginnings. As members opposite have said repeatedly, small business represents our greatest hope. We must support small business. The biggest thing it has asked for is help in changing the attitude of banks and financial institutions and help in finding new sources of capital so entrepreneurial spirit can flow again. We have begun the process.

(1320)

I must also say that the members of the Bloc and the Reform parties on the committee are working hard and are working co-operatively. By the end of June we will be able to bring solid, constructive recommendations to Parliament and to the Minister of Finance, recommendations for amendment in terms of regulation and recommendations for banks to change their process and attitude. I believe we will be able to bring in new sources of capital through mutual funds, pension funds.

Even though the process is not complete today, I believe it is incumbent upon all of us as members of Parliament to tell our constituents that it is under way, that we have only been at it for a month but in another two months they should see even more dramatic results.

I do not believe that when we go back to our ridings we should only bring bad news. I listened to a Bloc member this morning refer to our party as a party of darkness, as if members of the Bloc were the only ones who feel the pain of students, fathers or mothers who do not have work. We feel that same pain. We are trying just as hard and are just as concerned as members opposite to get the country back to work.

When something in the budget is constructive and hopeful—and I believe changing the attitudes of banks is a very meaningful exercise for all of us in the Chamber—we should not be shy in acknowledging it or in saying that in that particular area the government is moving forward and the government is on the right path.

It is not that we are looking for an accolade. That is not the point. The point is that we have a responsibility in the House to inspire and show some hope for the 1.3 million small business men and women out there who are having a very difficult time right now.

Other projects were announced in the budget on behalf of small business. The officials in all departments are interacting with small business in terms of the paper burden. They are all but locked up in a room right now trying to simplify the forms and consolidate the paper small business has to deal with when it comes to interacting with government: all the various forms in Revenue Canada and in Consumer and Corporate Affairs. There is an intense effort by officials and people from business. They are working together to try to reduce the paper burden. It is

important for our constituents to know we are working vigorously on that. That is another result of the budget.

I also mention the fact that the finance committee working on comprehensive tax reform is another hopeful signal or hopeful sign for small business. It is very important to challenge the path we are taking the country down at this moment. We accept their challenge on any issue.

(1325)

It is Friday afternoon. Hon. members will be going back to their ridings. I tell them not to be shy in telling their constituents about some of the good things the government is doing.

[Translation]

Mr. Réal Ménard (Hochelaga—Maisonneuve): Mr. Speaker, it is always a pleasure to exchange comments with the parliamentary secretary, but I think I ought to tell him, with respect, that his speech contained two contradictions. I want to point out that his impassioned defence of small business has always been well received by my party. I know that some of my colleagues here today are working very hard with him in committee.

He is probably aware that Montreal is the poorest city in Canada; the Montreal area has the largest number of poor families and poor people in this country. In East Montreal, we had a program called the PRIEM program, which was set up five years ago. All parties involved in this program asked the government to extend it. The program gave small businesses access to capital to update their facilities, and it created about 30 per cent of the new jobs in East Montreal.

If the minister and his government had been serious about using small business as part of their economic recovery strategy, it seems to me Montreal would have received a favourable answer to its request for an extension to this program. It did not, however. We and other members had a meeting with the Minister of Finance. We made certain representations, as did the community of Montreal, but unfortunately, the program will not be extended. That was the first contradiction I wanted to point out, and I would appreciate it if the minister would comment.

I would also like to hear his comments on a second issue, the technology question. On several occasions the minister has said in the House, with considerable eloquence, that his party was prepared to go all the way with technology and that this was a major priority. Unfortunately this was not reflected in the budget, and the scientific community got even less than it expected. There is not much in the budget that would point to a genuine national strategy on technology.

I wish he would offer some thoughts on the information highway. All parties concerned agree that if we are to have a national information highway some day, government funding will be needed. It is not true that only private capital is needed.

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However, we can find no indication in this budget that the government will help implement this information highway.

[*English*]

Mr. Mills (Broadview—Greenwood): Mr. Speaker, I say to the member that I welcome his spirit in debate. I always have.

First, I cannot speak to the specific example the member has given. I am not aware of it. The member can send me the details on it and we can study it.

Second, I cannot make a commitment, which sounds strange because of our commitment and our special sensitivity to the city of Montreal.

The third point concerns the information highway. Two days ago the Minister of Industry announced the new chairman of the national advisory committee on the information highway would be the former vice-chancellor of McGill in Montreal. The member should know the whole process of studying the information highway will be contrary to what we read in the newspaper. It is going to be one that is very open. We will be listening to experts from every region of the country. These meetings will be in public. Naturally when we have committees some of them have to be private but there will be an extensive consultation process and this government and our Minister of Industry have made the information highway a priority.

(1330)

As the Prime Minister said earlier this week in the House, our commitment to this sector of the economy is most important in terms of job creation and I think the member will see in time that in no way, shape or form will we feel shy or cut short our participation in that very important sector of the economy.

The Acting Speaker (Mr. Kilger): The parliamentary secretary had given an indication to the Chair that he was sharing his time.

If not I would be in the hands of the House as to whether there would be unanimous consent to allow an additional five minutes for questions and comments to the parliamentary secretary. I know a good number of members have been seeking the floor. Or we could simply resume debate.

If there is no one from the government side who is going to be sharing the time and if the House wants to consider unanimous consent, is there consent to an additional five minutes of questions and comments for the parliamentary secretary?

Some hon. members: No.

[*Translation*]

Mr. Gaston Pélouquin (Brome—Missisquoi): Mr. Speaker, every year after the happy holiday season the people of Canada and Quebec enter a period of fear. In fact, at this time of year,

people fear two kinds of disasters: snow storms and the federal budget.

In both instances, they are unable to forecast the extent of the impending disaster and they feel they have no control over what is going to happen. The only thing they know for certain is that the two events, whether of natural or ministerial origin, can be costly and have an impact on their quality of life.

To a certain extent, we can protect ourselves against the meteorological vagaries of winter, and we can be philosophical about them, knowing that everything will melt away in the Spring anyhow. The storm raised by the federal budget is another story. The fiscal and budgetary whims of Canadian Finance Ministers are getting less and less predictable and more and more painful.

This year, people were expecting a very severe winter and a very hard budget. In both instances it is as if the sky had fallen. We can get used to the snow and the cold, as we know it is going to end eventually, but the budget has inflicted severe injuries to the country's economy and the scars could be permanent.

The Minister of Finance and the government he represents have demonstrated a total lack of imagination and creativity. Once more the axe fell on the unemployed and the aged who are submitted to dreadful cutbacks by this budget. The reason of this is that the Minister of Finance did not want to tackle the real economic problems of the country and cut into useless spending by the government.

Yet, the Minister of Finance had only two responsible things to do before preparing his budget. First, he should have used the long cold evenings of January to read the report of the Auditor General, and I doubt he did.

(1335)

Second, he only had to listen carefully to the concrete and progressive proposals brought forward by the Official Opposition. This would have prevented him from racking his brain in search of a scheme that would allow him to attack once again the poorest people in our society.

The Auditor General tabled his report to the House of Commons for the fiscal year ending March 31, 1993. All 800 pages of it! Eight hundred pages of horrible findings on the appalling management of public funds in Canada. Eight hundred pages of concrete recommendations on ways to better manage the Canadian government machinery. I will say it again, I doubt that the Minister of Finance took the trouble to go through such a valuable document as the report of the Auditor General, because the provisions contained in the budget do not reflect in any way the expectations expressed in the Auditor General's annual report for 1993.

The auditor managed to summarize in one sentence the expectations and aspirations of the Canadian people, and I think it is important to quote it in this House so that the government cannot plead ignorance when the time comes for it to find out the

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effects of such a pitiful budget on the economy. Here then is the Canadian taxpayers' message that the Auditor General wanted to convey to the government, and I quote: "Today it is clearer than ever, to both public servants and parliamentarians, that Canadians expect them to demonstrate sound and prudent management rather than finding new ways to spend borrowed money".

I must admit the Report of the Auditor General of Canada is not an appealing document. I can see why the Minister of Finance would try to keep away from it as much as he can since the truths we find in there do not always make for pleasant reading. Journalists call them the Auditor General's horror stories and rightly so. Indeed, his report is full of pathetic examples of mismanagement and particularly unwarranted government expenditures which are all equally reprehensible. I will mention only two such stories, two unfortunate situations which show how careless the government can get when it comes to spending public funds.

One of the great government extravagances noted by the Auditor General concerns the use of Challenger planes by ministers or other parties close to government. Flying these airplanes costs almost \$20,000 an hour. In 1993 alone, the total bill for these travels came up to \$54 million and the example given by the Minister of Intergovernmental Affairs in that respect is certainly not comforting. Just imagine. For one day in the United States, not six months in Japan, but one single day, the travelling expenses of the Minister for Intergovernmental Affairs were in excess of \$170,000. Our ministers are travelling in flying palaces while the government takes away a wheel from the inexpensive scooters of the unemployed. Such a situation is totally absurd!

Speaking of absurdities, how can they explain that the new President of Investment Canada has refurbished her office for a total of \$132,000? That is the outrageous cost of the new bathroom and new kitchen in the office of Madam President of Investment Canada.

(1340)

Was there no one in the government who could have put a stop to this foolish waste of money? While the government is busy installing deluxe toilets in the offices of senior officials, it is also literally taking the toilet paper away from senior citizens. Do these two groups not have the same needs, Mr. Speaker?

In all, the Auditor General identified in excess of \$5 billion annually in overspending and shameful waste. It was really not necessary for the Minister of Finance to raid the pockets of ordinary taxpayers in order to recoup these billions of dollars. But, that is what he did and the people feel betrayed by this Liberal government which had nevertheless stated in its red

book, and I quote: "We want a country whose governments are efficient and innovative".

When we see the results, it is not surprising that this government has already lost all credibility in the eyes of the public. In a mere six months' time, the Liberals have managed to alienate Canadian and Quebec taxpayers, a feat which the Conservative needed many years to accomplish. That is saying something! Were the Liberals really expecting to maintain their popularity rating by leaving family trusts alone, while at the same time targeting the unemployed and seniors and doing nothing to eliminate instances of administrative overlap?

I find it rather alarming that expressions such as "overlapping jurisdictions", "federal interference" and "administrative duplication" have become commonplace, even the norm in Canadian political jargon. We have come to trivialize these expressions because the federal government has, over the years, used its famous discretionary powers to excess to interference in areas of provincial jurisdiction. This has been going on since Confederation and has slowly become the traditional way of conducting federal-provincial relations.

This year's budget carries on this nice Canadian tradition. The Minister of Finance strove to perpetuate the federal government's great centralizing tendency, whereby this government has the power and the duty to interfere more and more in provincial jurisdiction or at any rate never to withdraw from provincial jurisdiction, all in the name of maintaining Canadian unity, of course.

This façade of national unity is starting to cost us dearly. A study by Treasury Board in 1991 showed that 67 per cent of all federal programs overlap provincial programs to some extent. Besides the tens of billions of dollars spent unnecessarily every year, we have a huge bureaucratic and administrative machine that is so complex that these federal and provincial programs become redundant and inefficient when they are not simply incompatible.

The Canadian bureaucracy is like a big beached whale and the federal government is doing nothing to save it. The most striking proof of this lack of federal will is still the issue of manpower training in Quebec. While the Conservatives at the end of their term recognized the need to return all powers for manpower training to Quebec, the Liberals have stopped the process under way. For the Liberals, it is unthinkable to take any action which would reduce the federal government's prestige, even if it meant saving \$250 million a year. I think that the federal government's ego is as big and immovable as the beached whale mentioned earlier. We well know that even a dying whale is not easy to deflate.

(1345)

Yet, the Bloc Québécois had asked the government to cut the fat. Unfortunately, the government has once again opted for a miracle diet which promises results without pain. Putting our

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financial house in order will require real austerity measures, accompanied by painful cuts that are inevitable if we are to achieve our economic aims.

The federal government continues to get into debt, and gets away with it. One fourth of this debt is incurred in Quebec's name. But beware, Quebec will not wait for liposuction to become necessary before doing what it must to ensure its future economic development. The only way for Quebecers to get rid of all these horror stories is still sovereignty for Quebec.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, I congratulate the hon. member of the Bloc Québécois on his reading the report of the Auditor General, particularly as regards the ministers' expenses. I sat for five years on the Committee of Public Accounts, and I know what he is talking about. But I am not sure he does. I think he forgot to mention that the Prime Minister and the Auditor General have undertaken a study on travel by ministers.

The Bloc Québécois member referred in jest to the Challenger. Does the hon. member know where the Challengers are made? Should we stop manufacturing Challengers? What other means of transportation should the ministers use?

In conclusion, Mr. Speaker, the hon. member quoted something to this effect: "Some people—I do not know exactly to whom he was referring—said that the Liberal government betrayed them". I found such a comment rather strange, coming from the Bloc Québécois, which, as a separatist party, is a traitor to this country, in my opinion.

Mr. Plamondon: I rise on a point of order, Mr. Speaker.

The Acting Speaker (Mr. Kilger): If I heard correctly, the hon. member for Carleton—Gloucester did refer specifically to treason, and I believe that is unparliamentary. I would ask him to please acknowledge the fact that the Chair has to see that our debates are conducted in accordance with our Standing Orders and that we respect the spirit not only of the Standing Orders, but also of the House of Commons. I would ask him to withdraw the expression he used. The hon. member for Carleton—Gloucester.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, are you suggesting that the member of the Bloc Québécois has the right to say that the members of the Liberal Party have betrayed Canadian society, but that I, on the other hand, do not have the right to conclude, Mr. Speaker, by saying that anyone who spies, for example—

(1350)

The Acting Speaker (Mr. Kilger): Order. To my knowledge the last member who spoke, the hon. member for the Bloc

québécois, did not make the remark to which the hon. member from Carleton—Gloucester referred. I believe the hon. member for Carleton—Gloucester was referring to a comment made earlier in this House by another member.

Of course, I do not have before me the blues of all debates that took place today in the House. I would therefore ask hon. members to show some understanding for the problems facing the Chair, under the circumstances. Of course, the Chair cannot let members on either side call someone a traitor.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Kilger): Finally, I will take time to review the blues and, if necessary, I will get back to the House as soon as possible.

Mr. Louis Plamondon (Richelieu): Mr. Speaker, I rise on a point of order. This is about the term the hon. member just used, and it is not the first time the hon. member referred to betrayal or mentioned the fact that we have no democratic mandate, or have no right to sit in this House because we are members of the Bloc Québécois. He has said this both inside and outside the House. The right to sit in Parliament is not a matter for debate. It is not a matter for political debate, either inside or outside the House. We are talking about the basic right of people to elect the representatives they want to elect.

Voters elected certain members of Parliament, and it is not up to the hon. member to question our right to sit in this House, as he did last week or as he did today, when he used the word traitor.

The Acting Speaker (Mr. Kilger): I am sorry, but this is debate, not a point of order.

Mr. David Walker (Parliamentary Secretary to Minister of Finance): Mr. Speaker, I agree with the Chair's proposal to look at this problem and get back to the House next week.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, on a point of order. I have no objection to the Chair postponing any further discussion on the terms used earlier in the day by a member of the Bloc Québécois. We will check the blues.

However, the Chair did hear what was said by the hon. member for Carleton—Gloucester. He used the terms traitor and betrayal, and the hon. member should withdraw immediately, because what he said was quite clear. After that, we will see if any members on our side used terms that were unacceptable. We will have to look at them in context. If I say that you betray your mandate, I am not saying that you are traitors to the nation.

The Acting Speaker (Mr. Kilger): Order. The hon. member for Carleton—Gloucester.

Private Members' Business

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, could the Chair perhaps take the dictionary and read out the definition of betrayal, and then—

The Acting Speaker (Mr. Kilger): Order. To end this discussion, I promise members on both sides of the House that the Chair will make a full review of the blues and get back to the House as soon as possible.

It being 1.55 p.m., the House will now proceed to consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[Translation]

PARTY FUNDRAISING

Mr. Louis Plamondon (Richelieu) moved:

That, in the opinion of this House, the government should bring in legislation limiting solely to individuals the right to donate to a federal political party, and restricting such donations to a maximum of \$5,000 a year.

The Acting Speaker (Mr. Kilger): On a point of order, the member for Laurier—Sainte-Marie.

Mr. Gilles Duceppe (Laurier—Sainte-Marie): Mr. Speaker, I think the member recognizes having used the terms traitor and betrayal. Earlier—

The Acting Speaker (Mr. Kilger): Order. I want to say to the hon. member that I have indicated that I will review the text and check the words used and see if they were aimed at one member or the other. In other words, I want to know the full context in order to give this House the most accurate ruling possible under the circumstances.

I would like the House to proceed now with private members' business. The hon. member for Richelieu has the floor.

Mr. Plamondon: Mr. Speaker, I am glad to present this motion to this House and to launch the debate on the following motion: "That, in the opinion of this House, the government should bring in legislation limiting solely to individuals the right to donate to a federal political party, and restricting such donations to a maximum of \$5,000 a year".

I would like to thank the hon. member for Frontenac for seconding the motion, and thank also all members of the Bloc Québécois who asked to be heard in this debate.

I hope to get a favourable and co-operative hearing from the Reform Party, as well as the Liberal Party and independent

members of this House, so we can move a step closer to better democracy by dealing with the financing of political parties.

This motion is extremely important, because it goes to the roots, to the foundations of democracy. It reminds us that the real bosses are the voters and not the big backers.

Over the last few years, several public financing experiments have been successful. The socio-political context has also demonstrated the need for a real reform of the financing of political parties. The Lortie Commission, set up by the previous government, was supposed to look into the matter, but it barely touched on the problem of financing, opting for the status quo rather than real reform.

Less than 20 years ago, several political parties in Canada were financed only by large corporations or unions. Today, the share of companies in electoral financing is about half of all the money collected by the various parties, according to 1991-92 data from Elections Canada.

Although the proportion has changed, the amount provided is still significant and a potential source of conflict. Since the reform of 1974 and the ensuing evolution of fundraising, small contributions from private individuals account for a larger share of the financing of political parties. Such democratization is very much due to the institution of a federal tax credit on political contributions, which was adopted in 1974.

Some may believe that present measures are sufficient to limit undue influence and that it is in no way necessary to cap donations. Yet, during the last ten years, charges of influence-peddling made against Senate and House members tend to prove the contrary.

I believe that party fundraising must be reorganized on the basis financing by the public. Legislators and politicians can only benefit from such a change.

(1400)

Why am I positive about this? Because of two basic and fundamental principles which should influence all political activity: transparency and democracy. Canadians and Quebecers now demand absolute transparency from their elected representatives. Greed is certainly a very human instinct, but it is incompatible with the political ideal of serving the common good. In this context, the role of governments is to deter anything which could prompt someone to seek public office for personal interests. The fact is that all federal political parties felt the need to clarify their position on this issue, and made it one of the main themes during the last election campaign.

Numerous examples come to mind. For instance, some candidates and former members lost their party's official support for them, and that was bitter medicine indeed. Political organizers were publicly criticized. Some political decisions were reversed, contrary to all expectations. Whether lobbying, pa-

tronage, or conflicts of interest were involved, we found out, mostly through the media, whenever people had tried to influence those entrusted with public funds, in order to get some personal benefit for themselves or their agents. Money, of course, is always the great motivator.

As long as a significant proportion of party revenues comes from corporate or union sources, ordinary citizens will have to ask themselves whose interests we are looking after. As elected representatives, it is our duty to do everything we can to improve our image. So many people have a negative opinion of politics, which they view as a dubious, immoral and obscure activity in which it is better to not get involved. Reorganization of party fundraising would certainly solve part of the problem. Such an initiative would create a new climate of transparency which would restore some credibility for political parties and politicians.

How can a worker in my riding who barely makes \$15,000 or \$20,000 a year seriously believe that an engineering firm, a major bank or a contractor is prepared to give \$50,000 to a political party without any hope of obtaining a return on that investment? How can that worker seriously think that his opinion carries as much weight as that of the engineer? To ask the question is to answer it. One would really have to have one's head buried in the sand to refuse to admit that there are interests involved in those public-minded donations.

And now what about the big fundraisers? Smokes and mirrors is often the answer. Good connections in the business community lead to access to the inner sanctum, the Senate, or to the possibility of demanding some sort of payback.

Restricting financing of political parties to the public would send a clear message of transparency and be an unequivocal sign that companies, unions, big fundraisers will no longer exert undue influence over the political decision-making process. Are we going to tolerate any longer the fact that Canadian chartered banks, which are the most important sources of capital for campaign funds, run political parties behind the scenes?

Financing by the public not only sends a message of transparency but, if adopted, sends a message of democracy. Since firms, associations and unions do not vote, there is no reason for them to play a predominant role in our electoral and political system by funding more than half of the activities of the Canadian political parties. In fact, they have many forums other than the political channels in which to articulate their views and their needs.

Canadian citizens are the ones who must control our electoral system. They constitute the foundation of our democracy. However, democracy is more than the right to a free vote and a secret ballot, it is more than holding elections every four or five years.

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(1405)

Democracy is many things and the financing of political parties is an important part of the democratic process, as important as the redrawing of electoral boundaries several years ago to ensure a better distribution of seats according to popular vote.

Obviously, it is easier for political party fund raisers to collect a \$5,000 contribution than 100 contributions of \$50. However, this fact, which could be indicative of some laziness on the part of fund raisers, results in parties which are highly centralized and where ordinary members have no place.

By giving in to this lazy attitude, political parties are agreeing to make themselves available to corporate contributors, turning their backs in the process on thousands upon thousands of Canadians. It may be an easier way to raise money, but it is surely less democratic.

Contrary to what some people claim, we are not breaking new ground in Canada as far as regulating the financing of political parties goes. At least seven provinces, in addition to the federal government, have laws governing contributions to political parties.

Four provinces, namely Quebec, Ontario, New Brunswick and Alberta, already limit the size of contributions that can be made to political parties and to candidates. Three other provinces, namely Manitoba, Saskatchewan, Prince Edward Island, as well as the federal government only require parties to disclose the source and size of contributions made. Moreover, seven of these eight jurisdictions allocate public funds to political parties that meet specific criteria.

It is obvious, however, that Quebec's legislation is the most progressive of all, not only with regard to political party financing but also all aspects of the electoral system, including provisions relating to political parties.

Quebec passed the Act to govern the financing of political parties in 1977, but the first reforms date back to 1964, under Jean Lesage.

Quebec completely redesigned voting rules, decriminalizing the whole process and placing electoral activities under the strict control of the chief electoral officer, whom they call director general of elections.

It is particularly interesting to note that the Quebec Liberal Party, which had relied heavily on corporate sponsors up until then, adjusted very well and very smoothly to the new rules. Its annual revenue in Quebec is in excess of \$7 million. That is two and a half times more than the Liberal Party in office in Ottawa.

Statutory requirements regarding the source and amount of contributions have now become a standard of life in Quebec. This experiment has demonstrated beyond any doubt that financing by the people is feasible.

At the federal level, the Bloc Quebecois also proved conclusively that it could be done. Since its inception, the Bloc has never been funded by anybody other than the voters. No

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donations can be accepted from any corporation, union or organization. Yet, we won 75 per cent of the seats in Quebec.

Ottawa already has a piece of legislation providing for the disclosure of sources and amounts of donations received by political parties. The same legislation also governs party expenses. The purpose of this motion is to limit solely to voters the right to donate to a party and to restrict such donations to a maximum of \$5,000 a year. This may be a difficult choice, but it is necessary.

The foundation of a political party is its membership. It is on this basis that parties succeed or fail.

A revamping of the financing process will put new life into the parties. It will replace establishment-controlled parties with truly popular, truly democratic parties.

I remind you in closing that the Quebec legislature unanimously endorsed such a bill when it had to make a decision on the funding of political parties by the people. It unanimously embraced the basic goal of democratizing political institutions. To take the same position here in this House would be a nice gesture for unity, a clear message that would be very well received by all citizens.

In closing, I would like to pay tribute to a member who spoke up and fought a long battle on this issue, namely François Gérin, the former member for Mégantic—Compton—Stanstead who, within the Conservative Party, fought a six-year battle for the funding of political parties by the people. He pursued his campaign with the Bloc Québécois as he was the one who proposed, when the Bloc was founded, that political parties be financed only by individuals with the right to vote.

(1410)

So this former member who sat for nine years in this House, François Gérin, was a pioneer on this issue—the funding of political parties by the people—in Canada. I am happy to thank him for this and to carry on his fight by taking this issue not to the parties themselves but directly to the House. I hope that the Liberal and the Reform parties as well as the independent members will give their unanimous support so that we can take another step toward democracy.

The Acting Speaker (Mr. Kilger): The hon. member for Carleton—Gloucester on a point of order.

Mr. Eugène Bellemare (Carleton—Gloucester): Mr. Speaker, on a point of order. I can see that some of my colleagues believe that my words were unacceptable and, after due consideration, I think that some hon. members may have found what I said to be insulting. Therefore, I want to withdraw the words “traitor”, “treason” and “betrayal”, and I do so unequivocally.

The Acting Speaker (Mr. Kilger): I want to thank the hon. member for his decision, which I respect. I know that, from time

to time, our debates can be very intense and will continue to be so, but I hope that the people in the Chair will be able, with the co-operation of all members, to keep our discussions at a respectful level, because we have all been elected here to serve Canadians in this 35th Parliament.

We will now revert to private members' business. The parliamentary secretary of the Leader of the Government in the House has the floor.

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons): Mr. Speaker, I listened carefully to the hon. member for Richelieu and I am pleased that he put this motion before the House, because it is very important. I know that there are several such private members' motions before the House, and I hope that we will be able to hold many debates on these issues in the coming weeks.

[English]

I want to mention the hon. member's very careful review of the situation in respect of election contributions that has maintained itself in the province of Quebec now for some time. While I recognize the validity of some of the arguments he has put forward, there are more compelling arguments for perhaps considering that while the situation may be a fair or reasonable approach there are other fair and reasonable approaches. The Canada Elections Act has taken that approach. Obviously it is different from what the hon. member has proposed. That is why he made the proposal he put before the House.

I note other people than myself have expressed views on this question. It is important for the hon. member to recognize that those views have been put forward by people who are fairly experienced and competent in the field.

The Canada Elections Act, as the hon. member stated, does not currently have a limit on the size of contributions. Nor does it limit who may make those contributions aside from non-Canadians. The language of the act in my view is a little loose on that point.

The hon. member is aware that during the last Parliament the special committee on electoral reform was struck to review the recommendations of the Royal Commission on Electoral Reform and Party Financing. I had the honour to be a member of that committee. I know we spent a considerable amount of time discussing the question of contributions to political parties. I believe a report to the House on the subject was made by that committee, which report was not acted upon by the previous government.

I am optimistic that during this Parliament we will have an opportunity to look over the provisions of the act once again and possibly come up with some recommendations to change the existing law. I have no doubt we will be looking at the proposal

the hon. member has put forward. However looking at it and accepting it are two different things.

In its deliberations the committee considered a limit because some members of the committee were enthusiastic about the prospect of a limit such as is suggested by the hon. member in his motion. However, it was not one that found favour with the majority of the members and accordingly was not in the report.

(1415)

Why was it not there? The place to look is the report of the royal commission itself. The royal commission did an extensive review of political donations in Canada. It went over not only the volume, that is the total number and the number of people who contributed, but it also looked at their source.

I would like to read a brief passage from volume I of the royal commission report. The page number does not appear on my photocopy, but it follows table 7.1. The report reads:

Large contributions from individuals are even less important as a share of total party revenue. In 1988, contributions of \$2,000 or more from individuals accounted for 11.3 per cent of the total value of contributions to the Progressive Conservative Party and 7.9 per cent of contributions to the Liberal Party; only 14 individuals contributed more than \$10,000 to the three largest national parties that year. The largest contribution from an individual—\$103,000—was made to the New Democratic Party by Irene Dyck, and the largest donations to the Progressive Conservative and Liberal parties from individuals were \$40,000 each.

The largest single contribution in 1988 was just over \$1 million; it was made to the New Democratic Party by the Canadian Labour Congress.

One suspects perhaps that they are not going to be so generous in the future.

Contributions exceeding \$10,000 from trade unions accounted for 11 per cent of total contributions to the New Democratic Party in 1988.

In reviewing the situation, the commission recognized that limiting contributions to individuals to \$5,000 would have been very damaging to what was then one of Canada's three larger political parties. I would not call it one of the major parties, but it was one of the larger ones. To change the law, to restrict it in this way, would have serious repercussions.

I should note for the record what the recommendation of the royal commission was. I will quote recommendation 1.7.10:

We recommend that the Canada Elections Act not impose limits on the size of contributions to registered political parties, registered constituency associations, candidates, nomination contestants and leadership contestants.

I think it is very fair to point this out. The vital thing about this part of the commission's report is that they did say, and I will quote from the page a little higher up:

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We recommend that disclosure requirements be broadened to cover registered constituency associations, as well as nomination and leadership campaigns. We also propose that twice a year, registered parties and constituency associations report on contributions, including the date each was received, and that their reports be filed within three months of the end of the reporting period.

The commission was recommending far greater reporting as an obligation on parties and constituency associations so that the members of the public could see who was making contributions to these organizations. The commission took the view—and I submit it was a correct and good view—that transparency in the process would make up for the lack of a limit because the limits can be got around altogether too easily.

The hon. member for Richelieu was a member of the Progressive Conservative Party before he fell by the wayside. He knows very well that the members of his party on the election reform committee, of which I had the honour to be a member, reviewed the situation of the Quebec law and discussed it fully in the committee. They were of the view that the \$5,000 limit was one that was easily avoided by either corporations or trade unions, by those organizations making gifts of money to members who could then pass the money along as political donations to political parties.

In other words, a corporation that had \$50,000 or \$100,000 it wanted to give to a party could do it either by giving it to 20 different constituency associations in lumps of \$5,000 or—the hon. member laughs. I regard that as a bit of coach and horses. Through the intent of his motion he may think it is legitimate, I am not so sure.

(1420)

The other possibility is to hand the money out to directors or officers or members of the corporation and have them make the donations to the political parties involved. The money can be got there if a labour union or a corporation is intent on doing it.

It is quite unreasonable to put this restriction on these bodies so long as they have to disclose the amount of their contributions and that is exactly what the royal commission proposed.

It is exactly what our party proposed in the discussions in the committee. It is what we would have preferred to have and had we not run into so much obstruction from the now-gone Tories we would have achieved a law that would have done exactly that and brought about the disclosure.

I hope the hon. member will accept these comments in the spirit they are intended, will look at his motion in a new light and maybe withdraw it.

Mr. Philip Mayfield (Cariboo—Chilcotin): Mr. Speaker, I appreciate the comments the hon. member just made. It indicates a debate and perhaps a bit of a difference of opinion on this matter.

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I am pleased to add my comments to the debate. It represents an opportunity for the government to begin to help restore the faith of Canadians in the electoral process.

In the past we have seen Parliament held hostage to a variety of special interest groups by their contributions. They have found support in some or all of the recognized political parties of the past. My comments are really intended on a non-partisan basis.

Special interest groups have found support in some or all of the recognized political parties. The interests of Canadians have been neglected by politicians appeasing the demands of large financial contributors. A wide spectrum of demands from business, unions and even federally funded special interest groups are regularly brought to members and to the government itself.

In politics one soon learns that nothing is free. Whatever is accepted will have an invoice following along sooner or later. The larger the gift the larger the price tag on it.

The premise of this motion is not new. As the hon. member for Richelieu has already pointed out, the province of Quebec has had similar legislation in place for over 15 years. There is a difference. Quebec's contribution limit is \$3,000. Even with this \$3,000 limit Quebec's provincial Liberal Party was able to raise \$6.5 million during the 1986-87 campaign.

Shortage of campaign funds has not been a problem. Instead Quebec has been able to add real credibility to its legislature in these reforms.

John Parisella, director general of the Quebec Liberal Party at the time supported this contribution limit by claiming: "There is no way a government is going to sell its soul for \$3,000. No individual company has a hold on us. Nobody owns this government".

One has to look no further than the current New Democratic Party government in British Columbia to understand the danger of political manipulation. Unions have been major supporters of NDP campaigns. Since the last provincial election the unions have really hit pay dirt. Only unionized companies are permitted to bid for most government contracts. Also businesses that have solid records of treating their employees fairly are now being forced to accept union intervention without their employees even having a vote. We cannot permit special interests to dominate the political agenda simply because they give money to a political party.

François Gérin, who the member has already mentioned, a Quebec Conservative during the last two terms of government was the main advocate for federal reform of political contributions. He argued that a party's acceptance of large contributions was a conflict of interest that brought the whole political process into question. He understood the perception of his constituents as he said: "Someone who works all year to earn \$15,000 and

has a family of three cannot understand that somebody will give \$25,000 and ask nothing for it". The average family income in his riding at that time was only \$15,000.

(1425)

François Gérin demonstrated in his own riding the capability to run a campaign without huge contributions during a non-election period. With only 23 per cent party support on the national opinion polls, his constituency association was able to raise three times as much money as he needed to fund an election. In his case he used a strict limit of \$1,000 maximum contribution.

Despite his many attempts, Mr. Gérin was never able to convince the Conservative government to change the Canada Elections Act. He did convince the Quebec caucus of the Conservative Party to adopt this policy. In the 1988 general election every member of the Quebec caucus took a vow to accept only personal contributions.

The results were quite surprising: Conservative candidates won 62 of the 75 seats, a greater success than even the Bloc Québécois received in the last federal election. While the Conservatives received only 43 per cent of the popular support in 1988 across Canada, in Quebec that percentage was 51 per cent. In his own riding Gérin received a decisive 60 per cent of voter support. A significant amount of this additional voter support resulted from the increased interaction he had with his constituents.

Limiting the size of contributions means depending on broader support; depending on a broader support base requires more interaction with the voters. With that, financial support becomes a more significant demonstration of an electoral mandate.

As matters now stand, voting at the polls can often be a last minute decision resulting in a luck of the draw election win. In such instances those voting may give little real consideration to the value of their vote.

The opposite can be true by candidates and their parties reaching out to include even those who can make only the smallest contributions. Those considering supporting a campaign with their money will take the time to develop an understanding of the issues, the local candidates and the political parties they represent.

Corporate and personal tax considerations may vary greatly. Regardless of who makes the contribution, the same tax credit is realized. But this tax credit is of limited value to an individual, whereas after claiming a tax credit a corporation can, and corporations have, written off larger amounts as advertising or promotion expenses.

This has resulted in leaders of business, unions, special interest groups and lobbyists using their influence and other people's money to contribute to political campaigns instead of using their own personal money.

Private Members' Business

The intention of this motion is to prevent this abuse. A few powerful individuals are often in positions to make decisions that are paid for by using other people's money without their consent.

Trade unions have freely spent money raised through membership dues to support particular parties. In the case of publicly held corporations, what could have been shareholders' profits have been used to support a particular political party. Money donated to special interest groups for special purposes is sometimes re-routed to fund political campaigns.

This motion would allow only individual constituents the opportunity to make a political contribution to any legitimate party or nominated candidate to a limit of \$5,000.

Elections are intended to democratically elect governments that best represent the desires of the people. We must not permit powerful individuals using other people's money to dominate the political agenda or the democratic process.

Limiting the amount any individual can contribute will give a truer representation of a political party's popular support.

Mr. Don Boudria (Glengarry—Prescott—Russell): Mr. Speaker, I am having a hard time believing what I just heard from the hon. member from the Reform Party.

The hon. member tells us that political party candidates should be restricted in the amounts they receive. However only days ago his leader advocated that non-political parties should have the right to campaign, to contest and to challenge MPs and others with no restrictions at all.

(1430)

There is something wrong when that kind of mindset sets in. There are rules for MPs and there is no rule for the National Citizens Coalition to campaign against him and yet he has to be subject to rules far more strict than the ones we have already.

I have another difficulty with the propositions advanced by the member. He said in his opening remarks the larger the gift, the larger the price tag. That is an insult to every Canadian who contributes to the electoral process. No one is going to tell me that my constituents who are making \$20,000 or \$25,000 a year, who come to my annual fund raiser and give me \$100 are doing it to get something in return. I do not think my constituents deserve to be insulted by the likes of that. Neither do the member's.

Mr. Plamondon: Nobody said that.

Mr. Boudria: I was quoting the original remarks of the member from the Reform Party who just spoke—the larger the gift, the larger the price tag—referring to Canadians who gave their hard earned money to make sure that they have quality

Canadians running for public office. No Canadians need to be insulted that way.

Mr. Plamondon: Qui te paie pour parler comme ça?

Mr. Boudria: Mr. Speaker, I want to spend a couple of minutes to tell this House how I raised money during my election campaign or otherwise. There is an annual fund raiser in my constituency at which people contribute \$100. Last year 400 people attended the event. Granted, it was an election year. Normally approximately 300 or 325 people show up for this event. Many Liberal MPs attend the function in question as well. I know people who have attended the event who make \$15,000 a year. I also have three other events a year to which people come and pay \$5 for a spaghetti dinner.

Then I hear the member from the Reform Party who just spoke making these kinds of broad accusations that everyone who contributed toward the political process is some sort of a sleazebag.

Mr. Milliken: Shame.

Mr. Boudria: Those comments on the part of the member should be withdrawn. People contribute toward the process because they want good government. People who contributed to the member's campaign felt that he would do a good job and I do not believe that his constituents had a self-interest in contributing or helping him to get elected. They wanted good government just like the people who contributed to getting me or you elected, Mr. Speaker. The same thing applies. They do not deserve to be insulted because they took their holidays to work on an election campaign or took a couple of days from their pay cheques to contribute or because they took 15 minutes of what they would have spent on their coffee breaks to contribute.

I go back to the rest of the issue at hand, the motion by the member for Richelieu.

[*Translation*]

The hon. member knows that the Lortie commission did in fact recommend that no restriction be put on contributions. Of course, there should always be restrictions on contributions from foreign sources, to ensure that the Canadian system remains accountable to Canadians. I agree with that.

Mr. Milliken: The Conservatives did not agree with the proposition.

Mr. Boudria: We know that others did not agree with the proposition, as the hon. member for Kingston and the Islands just mentioned so appropriately and eloquently.

[*English*]

There is also the whole issue of the application of the charter to this kind of limitation.

Finally, I want to draw to the attention of this House how the application of such a rule as the member for Richelieu is advocating would be implemented.

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[Translation]

We are aware that similar rules exist in some jurisdictions, for example at the provincial level in Ontario, where I used to be an MPP, as most of you know. That legislature puts a cap on contributions. However, if an individual wants to give more than the limit which, I believe, is set at \$1,150 per year in Ontario, that person simply gives the extra money to his or her spouse or son, so as to circumvent the rule—

(1435)

Mr. Louis Plamondon (Richelieu): Point of order, Mr. Speaker.

The Acting Speaker (Mr. Kilger): The hon. member for Richelieu on a point of order.

Mr. Plamondon: Mr. Speaker, the hon. member has just suggested that people from Ontario are dishonest. People from Ontario are not dishonest. They are not cheats.

The Acting Speaker (Mr. Kilger): This is not a point of order, but this is leading to debate.

Mr. Boudria: Mr. Speaker, as you have said it yourself, this is not a point of order. This is not even a good point, as the hon. member should know.

The point I want to make is that rules like this one, which can be so easily violated that it becomes absurd in a way, should never come into force.

I believe that it is more up to members of this House to stop saying that all those who contribute to a political system expect something in return, as was pointed out by the member from the Reform Party. However, I commend the member for Richelieu for putting the issue to the House. I know his intentions are honourable. He moved this motion because he too wants public standards of behaviour to be high.

Our party and our government made a commitment in this regard and, in the last few months, we noticed that Canadians realize that the government is there to serve them and not to serve its own interests.

Mr. Milliken: True.

Mr. Boudria: I would say the same about my colleagues opposite and I will say that the old ways of doing things are gone. Canadians got rid of all but two of those responsible for the situation we were in.

I would like to conclude by saying that I do not intend to support this motion. However, I congratulate the hon. member for Richelieu because I know that he meant well. But I want to warn all members of the House against making absurd accusations against people who want to contribute to the democratic process.

Mr. Jean-Guy Chrétien (Frontenac): Mr. Speaker, it is with great pleasure that I support wholeheartedly this motion regarding the funding of political parties through individual contributions brought in this afternoon by my friend and colleague, the hon. member for Richelieu.

I want to point out to the House that this is an historic moment since it is the first time that such a motion calling for federal political parties in Canada to be funded only through individual contributions is introduced in the House of Commons.

The concern of my colleague, the hon. member for Richelieu, for this issue is nothing new. He has been working on this initiative since 1988 and it is very important to him since 1988. He is convinced that attitudes have evolved and that Canadians are ready for a major change in the area of political party financing.

Canada, like other modern countries, must keep up with the times. It must follow the example set by the province of Quebec, which was not afraid to do away with questionable and anti-democratic electoral practices. It is obvious that the Constitutional Act, 1791, gave us not only a parliamentary system of government, but certain electoral practices as well.

(1440)

History shows that individuals and organizations have always made self-serving contributions, giving a lot to control a lot. Even in its early days at the end of the 18th century parliamentarism had its champions of influence-peddling. Political parties and their sponsors would often offer an election favour to a hoodlum in exchange for beating up a stubborn voter.

There are numerous examples of notables who were in constant conflict of interest with political parties. A serious analysis will show that the government's decisions were undoubtedly favourable to those who controlled the ruling party, who controlled democracy as the member for Richelieu said so well.

Mr. Speaker, it has to be recognized, and the House will agree, that election mores and practices have changed in Canada.

Indeed some practices have disappeared while others remain. Some new practices meet obstacles, namely the financing of political parties by voters only. This would concern the whole electoral system.

Not so long ago I was a young man living a quiet life in the small town of Coleraine located in the beautiful riding of Frontenac. My father, a well-known businessman and experienced merchant was a Liberal Party member and organizer. Of course, that was back in the 1940s and 1950s and at that time, the Bloc Québécois did not exist as a political party in Quebec. My father had a decisive influence on me and I inherited from him my interest in politics. The only thing I could have faulted him

for at the time, given the political experience I now have, would of course be that he was a Liberal.

At the time, I had been amazed by some electeering tactics that Liberal organizers were practising in the riding of Mégantic, Quebec. It took me some time to understand the connection between a refrigerator or a Bélanger electrical stove and a constituent. Later on I understood the meaning of the slogan: "Give the party a buck and you will get it back with a 1,000 or 2,000 or 3,000 per cent interest".

I have seen this with my own eyes, Mr. Speaker. I know what I am talking about. However, in 1994, these days are gone. This should not exist any more, and my colleague, the hon. member for Richelieu, expressed it very well when he proposed in his motion a principle that should allow constituents to control our electoral system and thus respect democracy and become the true possessors of that democracy.

The urgency of reform is recognized by every party. The previous speaker on the government side did say that his party was considering a reform of funding for political parties, but we will see how much courage they show and, especially, how fast they act. Will we have a committee or a sub-committee? I am anxious to see.

(1445)

In November 1988, the leader of the Conservative Party, Brian Mulroney, promised to bring in public financing of political parties. Recognizing the effectiveness of Quebec's legislation on this subject, Mr. Mulroney thought it necessary to end financial contributions from corporations and unions.

For some time, people have been talking about credibility and trust and the government and the governing party are talking more and more about openness. We will see. Now is the time to prove this openness. They remember the sorry errors committed by members of the former government. They remember the conflicts of interest, the resignations, the dismissals and so on.

There must be no hesitation when the integrity of the government is at stake and especially when the integrity of Parliament is at stake. This House must show exemplary honesty. Those who have been elected to lead the nation must show the way. Very early in his first mandate, René Lévesque understood the need to clean up election practices by forbidding any corporation to contribute to the election fund of political parties. The 1977 Quebec Bill, to which several of my colleagues have referred, remains a model of financing by the people and of how to clean up the electoral system itself.

Those who doubt that it can work need only come to Quebec to see how it works. As was just said, the Quebec Liberal Party has collected much more just from the voters in Quebec than the Liberal Party of Canada has collected in that province from big companies, banks, etc.

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In 1977, the press at the time was categorical and here I quote from *La Presse*: "Although the Parti Québécois has rushed the process, this legislation is absolutely necessary; it is shaking up fund-raisers, upsetting many vested interests and destroying hidden influences that are unhealthy for the proper functioning of democracy". What was true in Quebec in 1977 is even more so in Canada in 1994. This motion means the end of slush funds and of influence peddling and the beginning of healthy democracy.

I close on this point: public financing remains the way of the future for our political parties. The present government must be concerned about it and accept the motion of the member for Richelieu. Canadian democracy—I repeat—Canadian democracy will be much better for it.

[English]

Mr. Fred Mifflin (Parliamentary Secretary to Minister of National Defence and Minister of Veterans Affairs): Mr. Speaker, I have listened with great intensity to the debate, both in the lobby when I had some phone business to do and in the House as much as I could.

I am here today because I am very interested in the motion of the hon. member for Richelieu. It affects all of us in the House. There is not a member sitting here who is not affected by the issue. If there is any issue that affects us all, it is this one.

I come here with an open mind. I have listened attentively and objectively to the arguments that have been put forth on both sides of the House. Quite frankly I take a certain comfort in my view of democracy. We have already studied the issue. We have looked at the issue. We have looked at other alternatives. To analyse it properly, as I understand the motion of the hon. member for Richelieu there are two aspects to it. One is that the donation should be made by an individual. The second is that the donation should be not more than \$5,000.

(1450)

The Lortie commission looked at the whole business of contribution to parties. In the last Parliament it was studied with great seriousness and was the focus of an awful lot of discussion both in committee and in the House.

In the hon. member's opinion his view of the world and democracy would improve the situation. The only reason for putting forward his private member's bill is to provide another form of control of the business of electioneering in Canada. As I say, we have already looked at this item and it has been studied.

There are existing controls on contributions and spending with respect to federal elections. Probably the greatest one is the very clear and explicit directions to members of Parliament and candidates on (a) how much they can spend, (b) how they can spend it, (c) the maximum limit that they can use to the cent and (d) how that has to be accounted for. If we are looking for

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control, how money is spent in an election is very clearly defined.

There is another aspect which does not necessarily pertain only to the responsibility of the candidate, that is that a donation has to be reported. Any donation over \$100 to a federal political organization has to be reported publicly. I feel fairly confident that with those two measures in place, if the hon. member's intent was to be concerned about control, there is excellent control. I do not think we need any more control. I have already raised the point that this has been studied democratically, debated democratically and decided on democratically.

There are other aspects as well. If we are to agree with and to approve what the hon. member is suggesting, there are other aspects we must look at. We cannot take the bill in its singularity and in isolation of other aspects.

The following aspects have been looked at. I am referring now to the source of donations, the amount of donations and other contributions to parties and their candidates, the definition of election expenses, limits on third party expenditures and tax deductions. If we open the door again we have to open it fully.

The underlying current I have heard alluded to a couple of times is very disturbing. The concern, somewhat obliquely stressed, is that there is a return other than the participation in democracy. I find that quite antagonizing. I find it disruptive. I do not find it democratic. I have not seen in my time in politics a return in any form other than the election of a member to represent people.

As one of the 295 members of the House I find it quite offensive for one of my hon. colleagues to suggest that those people who give freely of their time, their money and their resources do so for any other reason than to contribute to the democracy of this great country.

To summarize, I have taken into consideration the points made by the other side of the House, some of which are good points. However I come down on the side of saying that I do not see any compelling argument for me to support the bill as it stands or if it were considered in the larger context.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 98(1) the order is dropped to the bottom of the order of precedence.

Before closing the day, I know the member for Mission—Coquitlam is seeking the floor. A few weeks ago, if I recall correctly, she shared with us the good news that she was expecting to be a grandmother. I wonder if she could bring us up to date on that matter before we adjourn for the rest of the week.

Mrs. Jennings: Thank you for the opportunity, Mr. Speaker. I have a seventh grandchild. He is a boy. His name is David Michael Jennings. He weighed in at 9 pounds, 5 ounces.

Some hon. members: Hear, hear.

The Acting Speaker (Mr. Kilger): It being 2.55 p.m., the House stands adjourned until Monday next at 11 a.m., pursuant to Standing Order 24(1).

(The House adjourned at 2.55 p.m.)

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