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**Monday, May 9, 1994**

**Speaker: The Honourable Gilbert Parent**

# HOUSE OF COMMONS

Monday, May 9, 1994

The House met at 11 a.m.

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*Prayers*

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## GOVERNMENT ORDERS

[*Translation*]

### PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT

The House resumed from May 6 consideration of the motion that Bill C-22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport, be read the second time and referred to a committee; and of the amendment.

**Mrs. Madeleine Dalphond-Guiral (Laval Centre):** Mr. Speaker, today is the sixth day of debate on this bill. More than 40 speeches on this subject have been made by members of the Official Opposition. No doubt our colleagues opposite think we have talked long enough but as we are expressing ourselves with elegance, I am sure they are delighted.

My career as a teacher has taught me one thing: even the clearest message is never understood by everyone, and we think that if we repeat this message often enough, the Canadian people will require this government to enforce, in the name of transparency, a law on political party financing.

The decision made by this House must reflect the concerns of Canadians and Quebecers regarding the transparency of political power. Supporting Bill C-22 is a vote for non-transparency. The Prime Minister, who calls himself a champion of transparency, would never forgive us.

Much has happened in Canada since October 25, 1993, including the arrival of a group of members for whom the transparency of political power is an illusion without strict legislative regulations regarding political party financing in particular. The shock of our mass arrival in Parliament traumatized Canada but, like some pills that are hard to swallow, I think this shock can only be beneficial.

The current debate on Bill C-22 conducted with competence and determination by the Official Opposition is instructive as its purpose is to demonstrate clearly that the lax federal regulations in effect concerning political party financing goes against our society's fundamental interests.

The traditional Oppositions of the 34 previous Parliaments were justifiably reluctant to point the finger at the friends of the government in office since the stronger the accusations the more likely they were to turn against them. The Official Opposition of the 35th Parliament, of whom I am a member, has demonstrated that the lack of legislation on democratic party financing can only create a vicious circle with a simple, obvious logic.

This logic is as follows: no one has the right to bite the hand that feeds him, the government least of all. The contributions made by large corporations to the election funds of the traditional federal parties, far from being an open secret, are considered as essential as bread and butter by this government. But there is so much butter that it threatens the most efficient liver. Otherwise, how can we explain Clause 10 of this bill, whose purpose is to compensate Limited Partnership if the Minister considers it appropriate to do so.

Who in this House can justify a responsible government giving itself the right to offer reasonable financial compensation when, according to Robert Nixon, this whole contract was nothing less than unreasonable. I urge you, Mr. Speaker, to decide for yourself as Mr. Nixon says this in his report:

My review has left me with but one conclusion. To leave in place an inadequate contract, arrived at with such a flawed process and under the shadow of possible political manipulation, is unacceptable. I recommend to you that the contract be cancelled.

(1110)

Which the Prime Minister of Canada has done. The investigator he chose was the former Ontario Treasurer in the David Peterson government and leading figure of the Liberal Party of Ontario. His analysis could only be fair.

Let me ask the question again: Is it reasonable to provide reasonable compensation following the reasonable cancellation of an unreasonable contract? Any sensible citizen would tell you without hesitation: no. Why then would this government be tempted to say yes?

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I will venture two answers. First, you do not bite the hand that feeds you, when that hand is called Charles Bronfman, Léo Kolber, Herb Metcalfe, Ramsay Withers—I have five fingers. Second, you do not bite the hand that feeds others. What others? Let me give you the list, Mr. Speaker.

Don Matthews, who presided over Brian Mulroney's nomination campaign in 1983 and former president of the Conservative Party; Bill Neville, Conservative lobbyist, former chief of staff of Joe Clark and leader of Prime Minister Kim Campbell transition team; Hugh Riopelle, another lobbyist with easy access to Don Mazankowsky's Cabinet, strong-man of the Mulroney Cabinet; Fred Doucet, yet another Conservative lobbyist and former chief of staff of Brian Mulroney.

We have come full circle. The Pearson Airport affair is a dubious affair. Through its leader, the Official Opposition indicated it refused to proceed with the second reading of Bill C-22, the very principle of which is flawed because the bill contains no provision to ensure the transparency of the lobbyists' work. This government has been harping about transparency for too long. We urge it to finally take actions that are in line with its commitments. The Leader of the Official Opposition said: "The Bloc will oppose Bill C-22 first and foremost because a royal commission of inquiry must be appointed to clarify this dark episode in which the ethical behaviour of the government and some related players was not up to par".

Since October 25, this government has made a number of decisions in keeping with its election promises. In Quebec, the helicopter contract was cancelled. But what compensation was provided for the jobs lost, all those high-tech jobs so essential to Quebec? Are there prospects of industrial reconversion? No sign of a program so far. It is true that Quebec workers are not the biggest contributors to the Liberal Party of Canada fund.

In Toronto, the airport contract is cancelled. In that case, we know who will be compensated. The people of Canada know, and so do the people of Quebec. There will be no jobs lost and the friends of the Pearson Development Corporation will be recompensed, I mean compensated!

On the one hand, signed contracts are being cancelled, while on the other hand, incredibly enough, verbal ones are being kept. I am referring, of course, to the Ginn Publishing affair. We demand that the government be consistent with itself. If it is seeking transparency, then it must put before this House a bill on the democratic financing of political parties. Quebec is a North American leader in that regard. I would therefore urge the government to follow Quebec's lead. There is no shame in trailing behind Quebec in that area, for this is one of many areas where Quebec, perhaps owing to its inherent difference, sees and does things differently.

(1115)

I can assure you, Mr. Speaker, that whenever Quebec will decide to stop towing the Canadian trailer, my country will gladly continue to co-operate with its neighbour for the sake of contributing to build a fairer and more equitable world.

**Mr. Lee Morrison (Swift Current—Maple Creek—Assiniboia):** Mr. Speaker, virtually everyone applauded the government when it cancelled the Pearson deal last December. With Bill C-22, the Liberals have watered down their position, so to speak. They would like to hand the minister a blank cheque with which to compensate the contracting parties, mainly, one would assume, their Liberal friends.

*[English]*

The Minister of Transport has said that the government will try to be reasonable and equitable with the would-be developers while negotiating their out of pocket expenses. I submit that in the interests of being reasonable and equitable with the taxpayers of Canada, not one red cent should be paid out. A group of businessmen, all of legal age and presumably of sound mind, played a risky game of political chicken and they lost. That should be the end of the matter.

Let us not forget that prior to the execution of the agreement with the T1 T2 Limited Partnership on October 7, 1993 the then Leader of the Opposition who is now the Prime Minister clearly warned the parties proceeding to conclude the privatization transaction they would do so at their own risk and that a new government would not hesitate to pass legislation to block the deal.

Going ahead under those circumstances was a dumb business decision. We should have no sympathy and the minister should keep a firm grip on our pocketbook.

I find it fascinating that while the government stands ready to pay who knows how many millions of dollars to pacify its friends, the Ministry of Transport is declining to honour commitments made by the previous government to upgrade small airports.

Last year the Hon. John Corbeil approved an expenditure of \$230,000 to resurface a runway and improve lighting at the Assiniboia, Saskatchewan airport under the local commercial airport's financial assistance program.

The final agreement had not been executed when the government was defeated. On November 17, 1993 officials of Transport Canada attended a meeting in Assiniboia and presented the town council with an agreement for signature. The agreement was signed and returned to Ottawa for execution and there the matter rests. In February a functionary in the minister's office informed the mayor by telephone that the agreement was on hold and the minister's office is not returning calls on this matter.

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We in the Reform Party are not asking for a costly and time consuming royal commission to deliver a report long after the cause for inquiry has been forgotten.

What we do ask is that the Standing Committee on Transport be allowed to exercise its power to subpoena witnesses from the government and private sector. The Liberals promised both open government and greater power for committees. Let us have a few weeks of hearings, find out why the government is determined under section 10(1) of its bill to hand out compensation. Let us turn over a few rocks and see if there is anything underneath them.

(1120)

*[Translation]*

**Mr. Claude Bachand (Saint-Jean):** Mr. Speaker, I am pleased to speak today on Bill C-22 which provides for the cancellation of a contract. The Bloc Québécois is, I believe, putting the lobbying process on trial. Several of my colleagues raised this matter during their presentations. The government side is beginning to label us as wafflers or quibblers, but what we are doing in fact is seizing the opportunity to discuss thoroughly a matter which the government only seemed to want to deal with superficially.

I think the government was in for quite a surprise because even though ultimately we would like a royal commission of inquiry to be appointed, this serious debate has allowed us to discuss some very important issues in the House, issues which the government may have preferred to keep under wraps. I want to take the opportunity today to recall the argument I presented last week and take it a little further. Among other things, I drew an analogy between the different airports as far as airport authorities are concerned and I would like to touch on this matter a little further today.

Basically, there have been three types of airport management since 1987. The then minister, Mr. Mazankowski, introduced deregulation and opened the door to the possibility of communities taking over the management of their local airport. Mr. Mazankowski indicated at the time that the administration of 200 airports in Canada could be retroceded to various communities. Thus, interested communities could take over in a reasonable way the administration of their airport.

Of course, prior to 1987, Transport Canada was responsible for all airport administration, with all of the inconveniences this entailed. I recall that when I began sitting on the Montreal Airports Advisory Board, a position which I held for five years, preparations were being made to negotiate with Transport Canada. The history of airport management in Montreal was already being reviewed, along with the cumbersome nature of

Transport Canada's administration and its way of handling all changes. We had to contend with a great deal of bureaucracy and it took months to make any headway at all on specific issues.

Naturally, the Montreal region opted for a local airport authority to administer its airport facilities. At that time, we had already gone beyond the great dream of making Montreal the hub for air traffic, which the Liberals had promised when Mirabel was built. The promise then was that Montreal would become the hub for America and Canada.

Unfortunately, with the changes in technology, airplanes perform much better now than they did then, so they no longer have to land in Montreal. We saw that planes went directly to Toronto and the private sector in Toronto realized that pretty well too. That is why Ottawa has always favoured Toronto, Transport Canada favoured Toronto, and we soon lost our position as a hub. We saw that for all major activity slots in Toronto, if we tried to land in Toronto from Montreal—I am talking to you about Michel Leblanc with Inter—Inter, which had broken away from InterCanadian, was offered landing slots that made the survival of a well-managed company impossible. The expected happened: Inter went bankrupt.

We see that when power was left with Transport Canada, it was abused and Toronto benefited compared to Montreal. So when the policy took effect in 1987 and we had the chance to manage our own airports for the future, the greater Montreal area seized this opportunity. They formed a board of directors with an executive that was very representative of the region. The north shore, the south shore and the island of Montreal took charge and decided that they would negotiate the transfer of this airport with the federal government. Remember that the question of having two airports also arose then. The government was pondering whether to close Mirabel or Dorval. Here again is another case where we had very little say in the matter when power was centralized in Ottawa.

(1125)

In other words, overnight, the federal government could have decided to close Mirabel because it was no longer used enough and to concentrate all the traffic in Dorval, or vice versa. That was extremely dangerous for us.

One of the first things that the Montreal airports authority did was to thoroughly examine this issue of having two airports in the Montreal region. An international panel helped us to see the very great potential of two airports; it is like having one airport with two terminals. The international panel told us that it was wonderful and that we should take advantage of it. Of course, since the Montreal airports authority now holds the cards, it has developed an action plan and a business plan to promote the airports. Finally, we also have our say on landing rights and we

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can act much more vigorously and effectively to attract potential clients from all over the world.

While negotiating that transfer, we realized some things. Of course, Ottawa wanted to negotiate a long-term lease and we wanted to look at the purchase options because for companies that come to the industrial park surrounding the airport, it is not easy, never knowing whether in 20, 30 or 40 years the airports will still be there or not, because the government might take them back.

So we raised some interesting issues in the negotiation. From a financial point of view, \$30 million in annual revenue is generated and is to be reinvested in the community through infrastructure projects. However, we had to negotiate hard to convince the federal government to give us a \$12 million share out of those \$30 million. The government told us: We are willing to give that money back to you. However, according to our financial projection, we had \$30 million in revenue in the past, but only \$18 million was reinvested in Montreal.

It was very important to us that the revenue generated in Montreal would stay in Montreal. We clearly demonstrated that by investing \$150 million, that is \$30 million annually over a period of five years, in airport infrastructure projects in Montreal, something which would not have happened before.

Of course, the fact that Toronto was favoured made the private sector smell the opportunity. Indeed, the private sector saw an opportunity there and we know what happened during the election campaign. The previous government said: We will give this to the private sector; we have many friends involved. This, of course, brings the whole issue of political party financing. In the end, I think that the Conservative Party bowed to the pressure of friends eager to take advantage of a good opportunity.

What happened then is that the new government realized that it also had many friends involved in the dealings. This situation led to this infamous Bill C-22, which is now before us and which seeks to allow the government to compensate its friends, who also happened to be friends of the previous government. It does not matter which camp lobbyists belong to! I have nothing against them; they look after their own best interests. However, I think that when you spend taxpayers' money, you have to do it in an appropriate manner.

This is why I wanted to take this opportunity to tell once again to this House that local airport authorities are the best protection against this problem with lobbyists.

Of course, if a royal commission of inquiry was set up, the private sector might think twice in the future before asking a

minister to table bills such as this one to compensate friends of the regime with taxpayers' money.

In conclusion, I will gladly oppose Bill C-22, but I also think that our amendment asking for the setting up of a royal commission of inquiry should be implemented. I urge hon. members to support that amendment. And while we are at it, this commission could also look at the possibility of letting the Greater Toronto Area manage the airport through a local airport authority. This would provide maximum protection against lobbies, while also ensuring that taxpayers money is well managed in Canada.

(1130)

[English]

**Mr. Bob Ringma (Nanaimo—Cowichan):** Mr. Speaker, killing the Pearson airport deal was a very good thing indeed. The Prime Minister and his government should take some credit for having done that.

The enabling legislation, Bill C-22, contains compensation provisions for the developers. Why is that? As reported in the *Ottawa Sun* on October 6, 1993 during the election campaign, the then Leader of the Opposition, the present Prime Minister said: "I challenge the Prime Minister to stop that deal right now. People have a right to know what is in the deal". The Prime Minister was entirely correct in saying that.

To go further on the side of the government, to quote the Minister of Transport, speaking in the House on April 26, he said: "Our government after careful examination of the agreements has determined that they are not in the public interest. Our examination included a report by Mr. Robert Nixon who described a flawed process clouded by the possibility of political manipulation".

The Minister of Transport went on to say: "This government rejects the previous government's way of doing business on behalf of Canadians. A reliance on lobbyists, the backroom dealings, the manipulation of bona fide private sector interests and the lack of respect for the impartiality of public servants are absolutely unacceptable". I applaud the minister's words.

Therefore if we take the government at face value, it decries the backroom deals and would have everything brought out into the open. However, the fine print of Bill C-22 will allow the Minister of Transport to provide for appropriate payments to the partnership for its out of pocket expenses. There is the problem.

On the one hand the government said: "Get things out into the open" and on the other it says in effect: "Trust us, we will provide whatever compensation we think fit and there will be no need to publicize it".

Only three weeks elapsed between the signing of the contract on October 7 and the order to put it on hold. If there is any compensation payable for work done in that short period, then let it be spelled out in complete detail and let it be made public.

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Why would the government now want to keep all the facts from the public? Is it that it discovered that many of its own friends were involved in the deal? It was not just Tories in the Paxport consortium but apparently Liberal supporters in Claridge Properties Limited and in Paxport.

That gives us a possible motivation for the government wanting to pay compensation but not make it public. The Leader of the Opposition spelled it out very clearly in his discourse in the Chamber on April 26. I completely agree with his analysis of the situation but in the end he recommends that a royal commission be established to get at the truth.

(1135)

We agree that the facts must be made public. How is that best done? A royal commission would cost millions of dollars and would drag on for months or even for years if we go by previous royal commissions. Why not use the existing apparatus of government, specifically the Standing Committee on Transport? If the House chooses we could strike a select special committee of the House to investigate what has happened and bring forward sufficient witnesses to fully expose this Pearson airport deal.

Here is an opportunity to give to the citizens of Canada some renewed faith in the institution of Parliament. They have lost a lot of faith in the political system and perhaps even in this House. They ask: "Why do we have Parliament if you cannot debate things fully and bring this out into the open?" Here is our opportunity. Address this to the people of Canada. Show them that we can have witnesses here and that we can expose every angle of what may be a dirty deal.

Whether it is a select special committee or the existing Standing Committee on Transport, such action of bringing in witnesses and exposing it all could accomplish the following four things for the country and for the House.

First, it would fully disclose to the public all of the facts of the case. Second, it could decide whether or not there are any legitimate cases warranting compensation and, if so, bring these out into the open. Third, such action could save the money that would be spent on a royal commission and that could be a lot of money. Finally, it could, perhaps would, restore some public faith in their Parliament.

In conclusion, I advocate that the House seriously consider completing the investigation into the Pearson airport deal through the existing Standing Committee on Transport or through a select special committee.

[*Translation*]

**Mr. Michel Bellehumeur (Berthier—Montcalm):** Mr. Speaker, the Liberal government thought that, by introducing Bill C-22 as a token of the political openness with which it wanted to deal with the controversial Pearson deal in Toronto,

the opposition would approve of the legislation. Who does the government think we are? The fact is that this piece of legislation covers up a straight case of partisanship and the complicity between the old federal political parties. To help our good friends to a few bucks, everything is possible.

I am probably not the first one to mention that this bill adds to the doubts and the questions we have and stresses the need to have a royal inquiry to get to the bottom of this whole deal once and for all.

On April 26, 1994, the Minister of Transport, not a Bloc member or a Reform member, but a member of the Liberal government, stated in this House and I quote:

Our government after careful examination of the agreements and the report by Mr. Robert Nixon—

Again, the government shows how open it is by appointing a good old Liberal friend and a former minister to conduct this review. That is the person

—who described a flawed process clouded by the possibility of political manipulation.

As if that was not enough, Mr. Speaker, the minister added:

A reliance on lobbyists, the backroom dealings, the manipulation of bona fide private sector interests and the lack of respect for the impartiality of public servants are absolutely unacceptable.

(1140)

And if we add the millions or rather the hundreds of millions of dollars at stake, we have all the ingredients needed for a real political scandal.

I think we ought to call this Pearson contract the now famous Pearson deal. We must have a royal inquiry to shed some light on this issue and to bring to heel the lobbyists and politicians who do not seem to care about public funds. However, the Liberal government, after careful examination of the ins and outs of this deal, is now realizing that the old chums of the Liberal Party as well as the long-time followers of the Conservative Party were all involved in this thing. And now it has a problem.

What do the Liberals do? They introduce this piece of legislation in this House, hoping that it will pass surreptitiously or that the Opposition will be completely hoodwinked. However, it is thanks to the vigilance of the Bloc Québécois that were brought to light these dubious actions, which we have been discussing for a few days.

The voters are sick and tired of the political scheming, which allows the rich to fill their pockets while, by osmosis, the taxpayers or the middle class are going broke. At the federal level, everything is bigger, larger, more complex. Budgets, spending, partisanship, scandals, everything is ten times bigger, undoubtedly in the name of the Canadian unity.

Well, yes, handouts must be made to those who will stand up for our beautiful and great country when the time comes. Money

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is the sinews of war. The old parties have known it for a long time. That is why they use it while they still can.

That is precisely what is trying the patience of Canadians and Quebecers. Anger is brewing up. Moreover, in this Pearson issue as in every other issue this government dealt with so far, Quebecers and Canadians feel they are taken advantage of and manipulated. This was an opportunity for the Prime Minister to demonstrate to the voters that he is a man of principle and a true statesman, as they have a right to expect, and to call for a royal inquiry before even bringing in this Bill C-22.

But no. It is easy to realize that he is a man of many words who needs a lot of persuading to keep them and to act on them. Yet, in the last election, when the Liberal Party was virtuously asking for the voters' confidence, they had a position on that. In the red book, this little Bible they are quoting times and times again in this House, it is said on page 95 and I quote:

—we will develop a Code of Conduct for Public Officials to guide Cabinet ministers, members of Parliament, senators, political staff, and public servants in their dealings with lobbyists. We will also take measures to better regulate the activities of lobbyists, particularly in the awarding of government contracts.

In particular, a Liberal government will appoint an independent Ethics Counsellor to advise both public officials and lobbyists in the day-to-day application of the Code of Conduct for Public Officials. The Ethics Counsellor will be appointed after consultation with the leaders of all parties in the House of Commons and will report directly to Parliament.

Where is that independent counsellor? When will the government consult him or her? Why is the government taking so long to act on that measure? Is there any political will to act? Where is that desired openness? Nowhere, because today, the Liberals are in power and when a political party takes power, it very quickly forgets its commitments.

Openness is the objective of the inquiry that the Bloc Québécois desires and demands in the Pearson Airport affair. If the famous red book that I just quoted were not only election rhetoric, a royal commission would already be at work and we in the Bloc would applaud such an inquiry. But no, there is no such thing.

When everybody talks about lobbyists, patronage, political jockeying and shady deals and the government remains silent, I instantly see the image of a man who cannot move or talk because he put himself in a compromising situation.

To prevent any new agreement of this kind and to prevent further waste of public money, we must go to the root of the problem, and that is the financing of political parties.

Why does this government refuse to make the system of political party financing more democratic as we in the Bloc Québécois have been advocating for months? How can the Liberal government dare say that it is making the system more open since it depends itself on big corporate donations?

(1145)

How could it explain that the Top One Hundred Club, the party's donor and benefactor clubs or even the Laurier Club, with a membership fee of \$1,000, are essential to ensure that the ordinary taxpayer has access to members of Parliament, to the party or to the back rooms where the decisions are made?

How can a party or the leader of a party tie their hands by accepting as much as a quarter of a million dollars from the banks?

For those who do not know, according to the latest figures available, the six largest Canadian banks contributed close to half a million dollars to the Liberal Party and the Conservative Party in 1992. According to the data I have, the Conservative Party received about \$240,000 and the Liberal Party \$245,000. As these contributions show, financial institutions have a great sense of equity towards political parties.

How much do you think Canada's richest families contributed to the old parties for the government to refuse categorically to review the tax treatment of family trusts?

How much do you think Mr. Charles Bronfman and the consortium he represents contributed to the Liberal Party for the Liberal government to try and hide millions of dollars in compensation in a bill without Parliament ever having the opportunity to consider the matter?

In Quebec, under René Lévesque's government, we cleaned up our act and raised our moral standards in politics. Today, thanks to that new image, Quebecers know that democracy is alive and well in that province, something of which they can be proud.

We have to change our political system to make it more receptive to the people, a move which would breathe new life into it.

Well-known complicity between some political parties and those who make large contributions to them undermines people's trust in our political institutions, which is very unhealthy. Things have to change.

I will conclude my remarks by saying that it is very important for the government to accept and respond to the Bloc's demands regarding the appointment of a royal commission of inquiry which would shed some light on the Pearson deal. It would be a first step towards the transparency that we want.

Then, the next step would be for the government to accept the motion proposed by the hon. member for Richelieu, a member of the Bloc Québécois, regarding political party financing. The government must set in motion, as soon as possible, a process for the democratization of political party financing.

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That democratization process, which has already taken place in Quebec, is undoubtedly the legacy that I would be the most happy to leave to Canada when Quebec becomes sovereign.

**Mr. Réjean Lefebvre (Champlain):** Mr. Speaker, we are dealing today with Bill C-22. I have done my homework and read lots of material on the subject of the Pearson airport privatization, but all that still does not answer all my questions.

I must admit that the more I read, the more questions crossed my mind.

With all those unanswered questions, as a taxpayer, I cannot help but roar with indignation when I see the political scheming powerful financiers close to the two old Canadian political formations may have used to achieve their ends, that is the privatization of the airport, a transaction that is so contrary to public interest and to the air transport plan.

Whether one is a politician or a public administrator, common decency requires exemplary integrity and everything to be done out in the open and without cheating. In the case we are dealing with today, it seems that the interest of a few people has come before public interest. The select few with direct access, through their army of lobbyists, to the office of the then Prime Minister or to the office of the then Leader of the Opposition would have got privileged information thanks to that.

I am not the kind of politician who sees scandals everywhere. I like to analyze, search and reflect. The more I search, the more I analyze and the more I reflect, the more I have serious questions about this whole matter.

In this case, everything seems to have gone wrong from the start. If I can draw a quick conclusion from that, one can say that lobbyists, some of whom unfortunately are feeding at the patronage trough, have done their job well, and that the scheming system does not suffer from excessive openness.

(1150)

Remembering, as a Quebecer, the sad error the Liberals' grand idea led to more than 20 years ago at Mirabel, I hope that this government's liberalism will not plunge us back into expenditures unacceptable for taxpayers. Allow me to relate some disturbing facts in the Pearson airport case.

What is the ordinary citizen, the taxpayer, to think of politicians and public administrators when the federal government, by putting a time limit of 90 days on its call for tenders, was automatically eliminating any company that had not previously been associated with the Pearson airport privatization project?

No honest proposal leading to a contract worth several hundred million dollars and good for 57 years could be entertained.

In this request for proposals, no prior financial analysis has been required by the government. It is obscene that for such a major project, the winning proposal was picked without any financial viability check. A couple of months after the company was chosen, it seemed to be in financial trouble and merged with its only competitor. What a lesson in public administration!

Under a clause in the deal, Transport Canada has to refrain from all alternative airport development within a 75 km radius of Pearson that could take traffic away from Pearson. Who can benefit from that clause? Certainly not the taxpayers in the Deputy Prime Minister's riding.

What of the interests of passengers, since obviously it would have been more expensive for airlines to use those terminals? The fees would have gone up 350 per cent, that is from \$2 to \$7 per passenger. What of public interest, since the firm to whom the contract was awarded did not have to modernize the terminals for 50 years? Do we know what the needs will be in 50 years from now? What a "sweet heart deal". What of public interest, since the government gives control over an airport to a private firm that could face financial trouble or go bankrupt, or let airport services deteriorate at the expense of passengers and regional development? Is it not the policy of the government that airports be operated by local groups of elected representatives and business people the way it was so successfully done in Montreal, Vancouver and Edmonton?

Mr. Robert Nixon wrote in his report: "It is my opinion that the process to privatize and redevelop Terminals 1 and 2 at Pearson fell short of maximizing the public interest". That conclusion is in every regard similar to the position of the official opposition.

That whole Pearson deal is not only a matter of figures and companies. There are also key men involved I would describe as professional schemers, including a former political organizer of the present Prime Minister and well-known lobbyist, a Liberal lobbyist who was a deputy minister at Transport Canada at the time the request for proposals was sent out and who apparently has close ties with the right hon. Prime Minister. Not to mention this dear Liberal senator who, it appears, was a director of the lucky company and hosted key political figures at a \$1,000-a-plate dinner at his residence, right in the middle of an election campaign. Some of these guests maybe had special interests in the Pearson Airport deal. Allow me not to refer to the many Liberal as well as Conservative lobbyists, who were involved in this deal. I have little use for them.



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(1155)

In his report, Mr. Nixon emphasizes: "This, together with the flawed process I have described, understandably may leave one with the suspicion that patronage had a role in the selection of Paxport Inc."

The Pearson Airport affair proves once again the need to review the law on the registration of lobbyists in order to stop scheming and patronage by certain lobbyists, including those who have ties to the party in power.

Knowing the Prime Minister, I hope he will order such a review as soon as possible. Besides, he has already committed himself to this in the Liberal Party's red book.

The people of Ontario, Quebec and Canada as a whole have a right to know what happened. You and I, all my colleagues and all taxpayers entitled to know if they will get their money's worth. When he says that "failure to make public the full identity of the participants in this agreement and other salient terms of the contract inevitably raises public suspicion," Mr. Nixon only touches on the problem. We parliamentarians must go one step further and let the people know what really happened.

Given the disturbing facts in this whole affair, we, members of the Bloc Québécois, ask for a public inquiry to get to the bottom of the whole situation. Refusing this inquiry, Mr. Speaker, will be interpreted as wanting to hide things and prevent taxpayers from knowing the plain truth. It is only by holding a public inquiry that we will be able to determine if compensation should be paid. And it is Parliament's duty to set the amount, if any. The public interest must prevail and guide our action.

**Mr. Boudria:** I rise on a point of order, Mr. Speaker. I want to make sure that I understood well. I think I heard the hon. member accuse some members of this House of being in conflict of interest on the Pearson Airport issue. If I understood well the scope of the hon. member's words, you will realize, Mr. Speaker, that one cannot accuse other members of this House of committing illegal, and possibly, criminal acts and get away with it.

So, I would ask the hon. member opposite to explain exactly what he just said to us and, if he accused some members of this House, he should at least tell their names. Then, Mr. Speaker, you will take the action that you see fit regarding the people who make such accusations.

**Mr. Lefebvre:** Mr. Speaker, I would ask my colleague to reread my speech; I attacked the party, not the members.

**Mr. Boudria:** There is a fine line.

**The Deputy Speaker (Mr. Kilger):** There seems to be a conflict of interest here. It depends on the circumstances; if one says that the other members committed some, let's say, criminal acts, that is one thing, but if one says that this is a conflict of interest in general, that is another thing. After hearing the hon. member's remarks, I think that this is an issue of debate,

because I did not hear an hon. member accuse someone else of a criminal act.

I will look at the blues. If there is another problem, I will be able to get back to this. For the time being, I think that the hon. member has concluded his remarks. Does he want to continue, because he has still—

**An hon. member:** He has finished.

**The Deputy Speaker (Mr. Kilger):** He has finished. Resuming the debate. I will then give the floor to the hon. member for Ahuntsic.

**Mr. Michel Daviault (Ahuntsic):** Mr. Speaker, during my last intervention in this House on Bill C-22, I had the opportunity to deal somewhat with the work done by some lobbyists and some friends of the government.

I will remind you particularly of the following names: Léo Kolber, Herb Metcalfe, Ramsey Withers, Ray Hession, Don Matthews, Fred Doucet, without mentioning the names of the companies and consortiums on behalf of which they interceded in this contract on the Pearson Airport privatization.

(1200)

This is only the tip of the iceberg. I will spare you the list of the generous direct and indirect financial contributions made by all those people and firms to electoral funds of the Conservative and Liberal Parties.

So, what are we going to do about this tangle of ties woven over the years between those firms, their lobbyists and governments that follow one another and look strangely similar? One really has to bury his or head in the sand to ignore the real political weight of all those people crawling around the government and within organizations of traditional political parties.

Lobbyists have learned how to influence governments. You will better understand why we demand not only a real act on lobbyists but also an act on the financing of political parties. An act that would prohibit any financial support from corporations and that would limit individual contributions, because by contributing judiciously to the electoral funds of the two main political parties, corporations are able to negotiate iron-clad contracts through their lobbyists. That way, each new government does not really have any choice but must honour those contracts or offer compensation, as it seems to be the case with the bill we are discussing today.

Bill C-22, with clause 10, brings into question the so-called openness of this government in this matter. What is the difference between the Liberal government and the previous Conservative government? There is very little difference.

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With regard to lobbyists and Bill C-22, I would like to refer to some aspects of Bill C-44, an act respecting registration of lobbyists, which was sanctioned on September 13, 1988 and which came into effect on September 30, 1989. It was the first act of that type ever to come into effect. The act was amended by Bill C-76, which was passed on February 22, 1993, but it never came into effect. Rather strange, is it not?

Regulations were adopted under power given by Bill C-44, but they only deal with procedural issues, undoubtedly important but raising few substantive questions.

What is the purpose of the act on lobbyists? It is based on several fundamental principles, among which are:

The public has the right to make its views known and to have free access to the government. That is the principle of accessibility. Activities with the government should be clear and open, and the system should be easy to manage.

A standing committee has been struck to study, in particular, this whole issue of lobbyists and released, in 1993, a ninth report on the registration of lobbyists.

I would like to discuss a few points of this report, because there is an obvious link with Bill C-22, and this link is the lack of openness. For example, it is reported that many witnesses acknowledged that lobbyists were playing a role in effective policy development and improving communications with government decision makers. They are said to be an essential part of a modern decision making process. Nevertheless, lobbying is as old as the hills.

However, and according to me, that is the heart of the problem. It is reported too that when lobbying is conducted without the public knowing anything about it, there is greater opportunity for decisions to undermine the public interest.

The purpose of the act respecting the registration of lobbyists, Bill C-44, was to create a system for paid lobbyists to register with a public office holder. Lobbyists were to be divided into two categories, tier I, or "professional" lobbyists, and tier II, or "other" lobbyists.

Each category was to have its own set of reporting rules. However, let us simply say that those rules are not the same for each category. There are two sets of rules.

I do not intend to explain to this House all the elements of this complex act. We will have an opportunity to come back to those if the government fulfils its commitment to implement the report of the standing committee which reviews the Lobbyists Registration Act. For now, I will just raise a few problems related to this act and establish a link with Bill C-22.

As regards registration and subject matter disclosure requirements, Bill C-44 provides that tier II lobbyists, the other

lobbyists, only have to give their name and the name of their employer. The standing committee argues that by doing so, one cannot discern all the matters of interest to an organization. It recommends that the disclosure requirements for all lobbyists be made uniform.

Thus, let us try to know why lobbyists got involved in the privatization of Pearson airport. That cannot be done without a thorough and independent inquiry.

(1205)

Furthermore, the committee feels that the current method of facilitating subject-matter disclosure is clearly unsatisfactory and fails to meet the needs of office holders, lobbyists, and, most importantly, the Canadian public.

Finally, the report on the lobbying industry recommends that the Act contain a general anti-avoidance provision to encompass abusive or artificial schemes designed to circumvent the registration provisions. The committee also recommends that a professional association with an industry-wide code of ethics be established.

Should not this government nominate an independent adviser whose mission would be to write a code of ethics for lobbyists? What is this government waiting for? Is it waiting for Bill C-22 to be passed?

In his report on the Pearson review deal, Mr. Nixon himself, notes that the role of the lobbyists exceeded the permissible norms. That's where the shoe pinches. The whole issue of the transparency of lobbyists' work and power is again questioned.

Like my colleagues from the Bloc, I subscribe to the recommendations contained in the standing committee's report on the Review of the Lobbyists Registration Act because I feel that a number of lobbyists exceed the permissible norms and do not abide by the law. Only an independent inquiry commission will be able to prove it.

Regarding the funding of the political parties, I would like to quote some numbers. My colleagues mentioned the generous contributions of our friends from the banks. But more generally, if one considers the contributions made to the federal political parties in 1992, at the corporate level, the Progressive Conservative Party received \$6.7 million and the Liberal Party \$3.5 million. At the individual level, the Progressive Conservative Party received \$4.7 million and the Liberal Party \$4 million. Which means that 58.9 per cent of the \$11.5 million contributed to the Progressive Conservative Party and 46.7 per cent of the \$7.5 million contributed to the Liberal Party came from the corporate sector.

Surely, one can assume there will be an increase in the contributions made by businesses to the Liberal Party, now that they are in office.

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In 1993, the Bloc Québécois, abiding by the Quebec law on the financing of political parties, was able to obtain \$3.3 million from its 113 000 donors, compared to approximately 30 000 donors to the so-called national parties. That means 113,000 individual donors whose donations were limited to \$5,000 each a year.

Our hands are free. With such numbers, how can the government claim to be completely free in its decision making process when it is tied to our country's financial establishment?

This Liberal government also received direct and indirect financial donations from friends of the party who are more or less associated with this contract. That is why we are requesting a public commission of inquiry.

As Mr. Nixon himself said in his private inquiry report: "Failure to make public the full identity of the participants in this agreement"—once again the lobbyists bill—"and other salient terms of the contract inevitably raises public suspicion. Where the Government of Canada proposes to privatize a public asset, in my opinion, transparency should be the order of the day".

Mr. Nixon goes on: "My review has left me with but one conclusion. To leave in place an inadequate contract, arrived at with such a flawed process and under the shadow of possible political manipulation, is unacceptable".

Could it be any clearer? In view of such comments, to compensate people or companies who tried to take advantage of these irregularities would be unacceptable. What about all the wonderful promises of transparency in the Liberal Party's red bible?

That is why we insist that there be a public and independent inquiry, so that the government can get to the bottom of those sad events.

**Mr. Pierre de Savoye (Portneuf):** Mr. Speaker, as you can well imagine, I too am going to speak on Bill C-22, because apparently, our colleagues across the floor have not yet understood how essential and urgent it is to have a royal commission of inquiry to get right to the bottom of this matter.

(1210)

I am going to go over the arguments presented to help them in their reflexion. We have to know first if the plan to privatize terminals 1 and 2 at Pearson airport in Toronto was in the best public interest. If not, who benefited from this project?

I remind you, because this was repeated time and again, that at the end of the request for proposals process which was rather brief, only two bidders had made a proposal for a 57 year lease—yes, Mr. Speaker, you heard it right, 57 years—to administer the two terminals.

In fact, we had a proposal from Paxport and another one from Claridge. Then, on December 7, 1992—and I am quoting the Nixon report here—"Paxport Inc. was announced as the best overall acceptable proposal". Very interesting: between two bidders, they chose the best. Well, yes and no.

No, because on February 1, 1993, Paxport and the other company, Claridge, joined forces to form a joint venture partnership called T1 T2 Ltd.; T1 was probably for terminal 1 and T2 for terminal 2. These two distinct bidders whose proposals had certainly been prepared separately decided to join forces when one of them was awarded the contract. I am sure it was pure coincidence.

However, on October 7, 1993, the then Prime Minister gave explicit instructions that this transaction, that is the signature of the agreement with the new company, be concluded the same day, even though the current Prime Minister, who was then the Leader of the Opposition, had indicated clearly during the election campaign that if ever an agreement was signed, he would cancel it.

We can ask ourselves this question: Why would a Prime Minister get up one morning and decide that on this marvellous day, she was going to act stupid? No, a Prime Minister does not get up one morning with such a thing in mind. I am convinced she believed she was doing something intelligent. Well, according to the Nixon report, that intelligent thing was, and I quote: "—the concluding of this transaction at Prime Ministerial direction in the midst of an election campaign where this issue was controversial, in my view flies in the face of normal and honourable democratic practice. It is a well known and carefully observed tradition that when governments dissolve Parliament they must accept a restricted power of decision during the election period. Certainly—and I am still quoting the Nixon report—the closing of a transaction of significant financial importance, sealing for 57 years the privatization of a major public asset should not have been entered into during an election campaign". And Mr. Nixon concludes:

It is my opinion that the process to privatize and redevelop terminals 1 and 2 at Pearson fell far short of maximizing the public interest.

My question thus brings out a first conclusion: it is not likely in the best interest of the population that one morning the Prime Minister decided to have that agreement signed. In whose interest then? Or for what reason? And why?

(1215)

I would like to be naive, but as you can see I have a hard time believing, and an even harder time stating, that this decision was made only for altruistic purposes on the part of the parties involved.

Therefore, I am quite happy that the Prime Minister of this 35th legislature decided to terminate that agreement through Bill C-22. However, a second question comes to mind. That bill gives the minister the authority to pay compensations, which are for all intents and purposes quite discretionary, to those involved who might have sustained losses. I repeat: Is that in the

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best public interest? There again, I might be a bit naive, but I must say that anyone with a twisted mind could say that strictly speaking this section of the bill is tantamount to a blank cheque to the minister, with taxpayer's money. This is not only dangerous, it is unacceptable.

Once more, to whom could this benefit? Who are these altruistic people who were part of this deal for the greater interest of the public? Let me give you a few names of these generous people. Who was part of Paxport, the company which won the contract? A few key figures: Don Matthews, former chairman of Mulroney's leadership campaign, in 1983; Ray Hession, former Industry deputy minister and a top civil servant at Supply and Services during the Trudeau era; Bill Neville, Conservative lobbyist, hired by Hession when Paxport was formed; Hugh Riopelle, a lobbyist hired by Hession as soon as the call for tenders went out. He had access to Mr. Mazankowski, the Deputy Prime Minister and strong-man of the Mulroney cabinet. John Llegate, another lobbyist hired by Hession and who had access to the Conservative cabinet, more precisely to Michael Wilson. Fred Doucet, another Conservative lobbyist, former chief of staff of Brian Mulroney, and senior advisor to Kim Campbell during the election campaign. This is for Paxport.

Let us look now at Claridge, because we know that the two companies have merged. Peter Coughlin, a senior officer; Senator Léo Kolber, member of the board according to the *Financial Post Directory of Directors*. He was host to Charles Bronfman at a \$1000 a plate dinner at his residence, where the present Prime Minister went at the beginning of October during the election campaign. Herb Metcalfe, lobbyist with the group Capital Hill, which represented The Claridge Properties, and former organizer for the present Prime Minister. Pat MacAdam, Conservative lobbyist and college chum of Brian Mulroney. Bill Fox, Conservative lobbyist, former press secretary and personal friend of Mr. Mulroney. Harry Near, Conservative lobbyist and long-standing Conservative activist. We could also mention Gary Ouellet, David MacDonald and Scott Proudfoot, all well-known Conservative lobbyists. Ramsey Withers, Liberal lobbyist with strong links to the present Prime Minister. Otto Jelinek, former Conservative minister, now chairman of the Asian branch of the Matthews group.

Mr. Speaker, I am convinced just as you are, because you and I are, shall we say, somewhat naive that all these people acted in the best interest of the public. They all deserve to have their name cleared, their reputation absolved of any wrong-doing, and for that we have to know what really went on.

(1220)

That is why, Mr. Speaker, we need a royal commission of inquiry. My colleague from the Reform Party said that it would be too costly and that a committee would be more appropriate. A

committee does not have the authority to subpoena witnesses and to have them testify under oath. What we want is the truth and the only way to get it is a royal commission. Quebecers and Canadians deserve it.

**Mrs. Eleni Bakopanos (Saint-Denis):** Mr. Speaker, once again I welcome the opportunity to speak to the bill before the House today. A number of opposition members apparently do not understand that this bill is necessary in order to close a gaping hole left by the previous federal administration.

I say necessary, because we must establish certain parameters, which is not at all what the opposition has tried to do in this debate today. The motion of the Bloc Québécois is aimed at shooting down the bill because it allegedly contains no provisions aimed at making the work done by lobbyists more transparent.

Let me start by explaining what to me seemed quite obvious: the purpose of the bill before the House today is to cancel a particularly unsatisfactory agreement. Granted, this agreement has shown that the process left much to be desired. We will learn from the mistakes of the previous government.

[English]

This bill will fix a leak in the roof and we intend at the appropriate time to fix the way roofs are built so that they all get built the right way. The hon. Minister of Industry has made it quite clear that he will bring forward the legislation to do just that.

This motion is a rather pitiful attempt to combine the two issues and frankly it is a smokescreen to delay a necessary task.

[Translation]

I must say I look forward to the debate on future amendments to the Lobbyists Registration Act, and I am sure the Leader of the Official Opposition will be able to give us all the details on the system that caused all this, a system that turned out to be a disaster. If it were not for the abuses to a system he helped put in place, he would not be here today to criticize one of the most flagrant abuses of that system.

One wonders why the Bloc Québécois insists on delaying the passage of a bill whose purpose is to establish the parameters for an agreement. We do not claim this bill deals with all the problems of excessive lobbying. The bill is clear, however: the government will pay no compensation to lobbyists for this agreement. There is nothing to add.

And how does the Bloc Québécois react? It wants another study. Why? Everything has been said. In his report, Mr. Nixon stated that there was no evidence of any illegal action. He observed that relations between political staff and lobbyists were tainted by excessive influence, but there was nothing

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illegal. If there had been, we would need a police investigation, not legislation.

As so often happens, there comes a time we must concede that enough has been said and it is time for action. And why is it time for action? So that a major transportation facility can become operational, and so we can decide how this utility will be managed in the future. Why can't we do that now? Because there are some very tough obstacles to be overcome before we can make decisions concerning the future of Pearson International Airport.

(1225)

[*English*]

What does the opposition propose? That we sit back and conduct another study, another inquiry, and probably another one after that if it does not like the outcome any better than it seems to like the one from Mr. Nixon?

Have opposition members thought through what they would need to do after their inquiry was finished? Maybe then they would realize that they have to draft legislation to put an end to this deal. Maybe then they would realize that they would have to draft legislation to set the parameters for negotiating a settlement with the developers. Maybe they would even realize that the legislation should contain a provision to ensure that negotiations do not drag on interminably; that when enough is enough tell the developers that they will not get anything.

That sounds like pretty good legislation. I wonder what words they would use. I suggest they have to look no further than the legislation before us today.

[*Translation*]

We never spoke of compensating developers and I want to stress this point. The only possibly negotiable item is the amount of compensation for any expense qualifying under a signed agreement with the state.

Lost opportunities and profits are excluded. Fees paid to lobbyists will not be refunded, and we must remember that last October, members opposite wanted us to pay some compensation after the contract with Paramax was cancelled. The Leader of the Opposition even said that we should pay one billion dollars in compensation to Paramax, after its contract with the government was cancelled. Just think, on the one hand they tell us not to compensate and on the other to do it.

[*English*]

I have to say that I have been surprised by the attitude of the Reform Party on this also. It supports the motion from the Bloc with its own particular brand of subamendment. I am truly surprised to know that it wants to delay a resolution to the situation facing Pearson airport, that it too wants to conduct an

inquiry at taxpayers' expense. We on this side of the House always thought it was against any frivolous expenses on inquiries.

Sure, it is redefining its position to say that the standing committee could do it. It does not need to be a royal commission. I hate to point out the obvious, but the standing committee does not need any special direction from the House to conduct a study; it already has all kinds of authority to choose what kind of business it will conduct. Does it need to conduct a huge and expensive inquiry? I submit the answer is no, at least in part because I am sure the members of the committee have all read the Nixon report and recognize that no further information is required to reach the conclusion that this deal needs to be ended.

I have let myself get carried away here a little.

[*Translation*]

I simply wanted to take this opportunity to set the record straight. First, under clause 10, the Minister of Transport must obtain the approval of the governor in council to enter into any negotiated agreement.

Besides, the criteria governing such an agreement could not be more specific: no compensation is to be paid for any loss of profit or any fee paid to lobbyists. Out-of-pocket expenses, evidence of which must be provided, are really what developers have spent on any fully-justified activity related to the transaction concluded with the previous government.

The government must ensure that there is no roundabout way for developers to claim that profits totalling such and such amount could have been made had they received the green light. As well, the approval of the Governor in Council ensures that the decision is up to the government, and not strictly up to one minister.

[*English*]

Fourth and finally, I wish to remind the House that there is an incredibly wide range of opportunities for further and continuing scrutiny of any potential settlement by members of the House, by the media and by the public at large.

[*Translation*]

Let me only say, for example, that the financial commitments made by the Canadian government can be duly examined by the Auditor General.

(1230)

They can also be discussed and called into question here daily, or be included in budgetary review process in the House and in committee. Detailed questions can be asked about them. Under the Access to Information Act, the public and, of course, the media can follow the matter closely. These commitments can also be the focus of letters and petitions sent to the minister and to the government.

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[English]

I truly hope my remarks have gone some way to dispel the confusion the amendment has attempted to cast over a perfectly straightforward piece of legislation.

[Translation]

All that needs to be done is to fix the plumbing, so let us get to work. You can rest assured, however, that I will speak again about our treatment of the plumbers. For that, I will certainly rely on the help of the opposition.

**Mr. François Langlois (Bellechasse):** Mr. Speaker, I am pleased to participate in the debate on this bill and on the motion tabled by the Leader of the Opposition. I listened carefully to the hon. member for Saint-Denis and, before her, to the hon. member for Portneuf.

Before pointing out a few ill-chosen comments made by the hon. member for Saint-Denis, I will briefly discuss the general provisions of Bill C-22, and particularly clauses 9 and 10. Clause 9, which reads as follows:

No one is entitled to any compensation from Her Majesty in connection with the coming into force of this Act.

It is absolutely clear. No recourse is possible against the Crown. If Bill C-22 is passed, an individual will not be allowed to go before the courts, explain how he suffered a prejudice, and ask to be compensated following a measure taken by the Parliament of Canada under the powers granted to it by the Canadian Constitution.

However, the following section has the effect of undoing what is established in section 9. In fact, section 10 goes even further, since it provides that the Minister may provide for the payment of such amounts as he considers appropriate. In other words, the government is saying: Do not sue us; we will give you something. There is no need to sue the government. People who have, or who claim to have suffered a prejudice, will simply submit their claim informally, without any legal proceedings, by simply making a phone call, or through a behind-the-scenes lobbyist, and they will receive a cheque from the government of Canada. It is much more faster than an open process, either court proceedings or public hearings, that can be appealed to the highest courts, so we close that door.

We should be more honest and clear about section 9. Instead of saying that no one is entitled to any compensation from Her Majesty, we should say that no one is entitled to compensation from the courts, because the companies seeking compensation can always go directly to the minister. To say that no one is entitled to compensation is not exactly true. No one is entitled to compensation from a court of law.

I would bet a few dollars that the compensation that will be awarded by the minister will probably be much more generous than any that would have been granted by the courts, because it is so much easier to come to an agreement between friends about

any loss suffered. When we talk about friends, we always come back to the same basic question: "Tell me who pays you, and I will tell you who you work for". Who is financing the current government? The current government is being supported, although to a lesser degree, by the same backers than the previous Conservative government.

Why do these big companies and corporations give huge amounts of money to political parties? Because they support the leader or his or her colleagues, or even the party's platform? Of course not! They do it in order to have access to the government. They want a good return on their investment.

(1235)

The Leader of the Opposition gave us, in the Bloc Québécois, a meaningful demonstration of that when he demanded that each and every contribution to our party be made only by people who can vote in Canada. The Bloc Québécois is financed only by individuals; we do not take contributions from legal entities, which are not always good citizens, especially when it comes to the funding of political parties. Indeed, one can wonder why they finance political parties.

We in the Bloc Québécois can freely discuss this bill, since our hands are free. Individuals who give \$20, \$50 or \$100 to the Bloc Québécois know very well that they will have no influence on their member of Parliament or that they will not be able to blackmail him into doing anything. If voters wanted to blackmail us for their \$200 or \$300 contribution, we would simply write them a cheque for \$200 or \$300 and bid them goodbye. It is as simple as that in the Bloc Québécois.

Thus, the motion recently put forward by my friend, the hon. member for Richelieu, and aimed at limiting the public financing of political parties to a maximum of \$5,000 per person would allow for great progress in the control of their elected representatives by voters, giving them reasons to regain confidence in this institution.

The hon. member for Saint-Denis mentioned earlier in her speech that the Leader of the Opposition had made remarks about Paramax, among others, to the effect that people must be compensated. Quite on the contrary, what the Leader of the Opposition demanded in the Paramax issue was that the funds which were not invested in the helicopter contract be reinvested in the development of a high-speed train. That is quite different. We asked to reinvest the same amounts, not to pay lobbyists or to compensate speculators for anticipated losses. We asked the government to reinvest that money in high-technology industries so that it is not lost for Quebec. We never ever asked that money be paid to people who had stood to gain in any form.

For me, the most difficult provision of Bill C-22 to swallow is that some people who remain anonymous will be compensated because their speculative scheme failed. The previous government, the Conservative government, had decided to privatize the airport. People thought that it was a good opportunity to make

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money but now that their deal failed, they will be compensated for any lost profit, if the bill is adopted without amendment.

That is not how the Liberal Party said that it would deal with the Pearson airport privatization contract during the election campaign. They said it would be terminated but never talked about compensation. We could compare the situation to some marriages: it is not the same thing before and after the ceremony. Once the Liberals were elected, it was the same old story: they are the servants of those who finance them. So we have clause 10 allowing compensation.

Yet, the situation was clear. The Prime Minister's position was clear, at least as I heard it during the election campaign: Pearson Airport would not be privatized and nobody would receive compensation. Things like that may be partly true while other people are given to understand that there is nothing to worry about, the losses will not be too great. I would almost wish that clause 9 were not included in the bill:

9. No one is entitled to any compensation from Her Majesty in connection with the coming into force of this Act.

Let us allow people who feel that they are wronged to appeal to the courts. Let people plead their case in court according to the rule of law and the general principles of law, but let us say no to the payment of administrative compensation, no to government by decree acting behind closed doors or negotiating over the phone or in person with party organizers. Let all these people who feel that their rights were infringed on ask the courts for redress, as all other citizens do. I submit that justice by order in council is not justice and it is unacceptable. That is why the Official Opposition cannot support the provision now before the House.

(1240)

**The Deputy Speaker:** I will now give the floor to the hon. member for Beauharnois—Salaberry. I have the wrong list.

**Mr. Brien:** For Témiscamingue, Mr. Speaker.

**The Deputy Speaker:** Why not! The Chair now recognizes the hon. member for Témiscamingue.

**Mr. Pierre Brien (Témiscamingue):** Mr. Speaker, so there is no confusion, I want to remind everybody that I do represent the riding of Témiscamingue.

I was in my riding over the weekend and people asked me some questions. They noticed that we were debating the bill before us at considerable length and they asked me to explain a little bit to them what was going on. They said: "We see a lot of members of the Bloc Québécois express some reservations about this bill, but the government is not saying much. The last

time we heard it speak on that subject was during the election campaign".

I tried to explain to them the difference between the contents of this bill and what they heard during the election campaign. After listening to what I had to say, they were wondering what happened to the transparency that the government had been talking about so much since it came into office and that had been promised during the election campaign.

I explained to the people of my riding that this bill provides in principle for the cancellation of a very bad contract, a contract which was concluded as a result of considerable lobbying that was not done maybe in the most positive way. I also told them that it may be necessary to call into question the way lobbying is being done, something that the government promised to do, something that it says it will eventually look at.

A party that spent more than eight years, almost nine, in opposition and that has a long-standing tradition like the Liberal Party should be able to act quickly to control lobbyists and to put something on the table immediately if it really wants to do so. But now that the Liberals form the government, they want to try to take advantage of the situation a little bit before doing a clean-up job.

I also explained to my constituents that some compensation payments will be made following the cancellation of this contract. Clause 9 states that there will be no compensation, but clause 10 provides for exceptions with the approval of the Governor in Council; this amounts to allowing the Minister to give compensation for costs incurred to whomever he considers it appropriate to do so. It might not be quite abnormal, but it is very worrying.

Of course, we are dealing with respectable people, but if their integrity were above reproach and if we were sure that things would be done in a more open way, we would be a lot less worried. However, I am not sure that public opinion is extremely confident about the process and that it will ultimately provide for fair compensation.

They might even be able to differentiate between good and bad friends among those people who incurred costs, since it would be up to the Cabinet to determine which costs are eligible for compensation and which are not. Will we even be able to know the total cost of all that? I do not know, we will see at the end of the day, but that might be cause for concern. Maybe we will not even know. Maybe they will not even have to report to this House the whole cost for that operation.

I would like to refer back to the electoral campaign for a moment, because this government made many commitments during the campaign, all the while often making reservations in a much lower tone of voice, with a lot less strength. What made the headlines was simply: "We will cancel the Pearson airport

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deal". They never mentioned compensation. They never talked about this compensation mechanism. Once in office, of course, probably under the advice of influential people, they got to that point.

That leads me to make the connection with what is probably the real cause of the problem. One of my colleagues, the hon. member for Richelieu, put forward a motion here in this House. We discussed the financing of political parties by the people. Of course, our friends opposite were not very talkative on the subject, nor, in fact, were members of the Reform Party, who expressed support for the matter. Yet, this appears to me as something that would help solve in part a lot of problems, as we now see with these rather doubtful transactions. I will elaborate a little further, because people tell us: "You talk about financing by the people, but what do you mean exactly?"

(1245)

As a political party not even subject to Quebec's law on political party financing, we nevertheless complied with this obligation during the election campaign in order to have a lot more freedom.

Those who finance a political party, be they individuals or companies, are not disinterested. But, of course, the person who donates \$5, \$10 or \$15 does so out of conviction, as a show of confidence in the local member, the party and the leader. They donate small amounts. It is ordinary people who come to political rallies, who are phoned, who register as members, who are canvassed each year; they are canvassed very often, in fact.

These people contribute according to their means at the time. Also, political parties are not sheltered from recessions. Financing campaigns are made. There is truly a direct contact with grass-roots militants. It is an excellent operation.

Sure, it is not the most interesting thing for a political party to do because it is a lot of work. We must ask volunteers in the entourage of members and local associations to get together, call people, drive to the far end of the riding to get \$5 or a membership renewal. But we do it. We do not necessarily look at what it costs to do it; we do it out of principle. Those people, when we call them or contact them, express their opinion, say what they like or do not like about the government, about the party which has the finances; they say what they would like to have, say what their expectations are. It is a contact with the grass roots.

I was talking with people whom I will not name on the government side and they told me: "I find it much easier to get donations than new members. I have difficulty recruiting new members, but for donations, it is not a problem".

When their party, during the election campaign, asked them to get a certain number of new members, they simply did not

understand that approach at all. It is the very principle of a party that is in touch with its grass-roots members. We do not sell membership cards just to win a leadership race. In major parties, leadership conventions are about the only occasions when there is a flurry of recruitment activity. Those parties concentrate more on lucrative fund-raising. They make a cost-benefit analysis of the time to be invested and conclude that they should concentrate on big contributors. Some people, including some of our members, asked: "Why not do the same? You would stop asking us for funds, we would enjoy more freedom, and we would still believe in you". I objected.

When business people or representatives of companies or big private interests give considerable amounts of money, you should not think they are not hoping for something in return. It is not true that they dish out big money just for the sake of the democratic process.

What are their real motives? They frequently hope for favours and they often get them. That is the root of a real problem. We never talk of that new way of looking at political party financing. Nobody ever talked about that before we did. We are the only ones who raised that question in the House.

But we get no reaction whatsoever. We cry out in the desert. Somebody asked me: "Why should you bother? Bloc members want to leave this Canadian system, anyway". My answer is that if there is a heritage we would like to leave before we go, if that is the will of Quebecers, it would be a law on the financing of political parties that would introduce a much higher level of public morality.

Such a law would force parties like the Liberal Party to be much more in touch with its membership. They would realize that getting a much greater number of smaller contributions of only \$5, \$10, \$15, or \$20 would bring them much closer to their grass-roots. They would hear people say they do not like the budget because of drastic cuts in unemployment insurance. They would get that message, which they are not getting now.

Liberal members could have an even more direct response from their grassroots, and even from their own rank and file; they would notice it and make some pressure on their ministers and tell them: "Listen, even our own rank and file say we are taking unpopular actions. There are things that are not working".

Of course, the government cannot be only popular, but it would be able to know if its actions are appreciated. In that way, even to a certain point, that would be a major gain for democracy. That is where real transparency should start, even before the lobbyists control. Even before that, the government should deal with political party financing. It should adopt much more severe legislation.



*Government Orders*

(1250)

As I said earlier, my colleague from Richelieu had tabled a motion where he suggested a ceiling and proposed copying the Quebec model that already exists. There is no need to start all over again. We are not talking about something that we have to get from nowhere. There is a model, and Quebec's political party financing legislation has been recognized all over the world as a model. But here, and for all kinds of reasons, now that the Liberal Party is in office, it is tempting to go around those people who hope to benefit from the financing of a political party in office, and who will do so. It can wait a couple years, in order to fill its coffers and, of course, to take advantage of the fact that the coffers of their former political enemies are empty and they have a lot more trouble getting financing because they are very far from power.

For all these reasons, I spoke briefly on Bill C-22. I had talked about it previously because there are too many things that were obscure in the old transaction and that the government does not necessarily want to solve. This government could have shed much more light on that issue in order to get to the bottom of the problem, but it is not really interested in doing that. It is then impossible for the members of the Bloc Québécois to support this bill. In concluding, I would even like the government to get this message well: if it wants to deal with real problems, it has a golden opportunity to connect this with the Pearson Airport issue and to put on the table a reform of political party financing which could very widely be inspired by the Quebec legislation.

**Mr. Jean-Paul Marchand (Québec-Est):** Mr. Speaker, I am pleased to rise today in this House to discuss Bill C-22 regarding Pearson airport. The Minister of Transport stated in this House that the government decided that the agreements were not in the public interest, that the negotiating process was questionable and that there even might have been some political patronage in the Pearson airport issue. In cancelling the contract, the government is trying to negotiate amounts they consider to be fair and reasonable to compensate for expenses incurred in this transaction.

We feel that this gigantic issue is fishy in many respects, given the millions of dollars involved. It is why the Bloc Québécois refuses to support second reading of Bill C-22 because it says the principle of it is flawed since it does not provide for any measure to make the work of the lobbyists transparent. In fact, as we all know, the matter of the Pearson airport contract is closely related to the role played by lobbyists. It is very disturbing. We all know the influence lobbyists can have on the government when it comes to legislation. We all know they can get from the government millions of dollars which should probably be allocated to more constructive projects than this one. This is why we would like a royal inquiry commission to be set up. This particular issue could end up being one of the most serious cases of political patronage in the

history of Canada. It is therefore an issue which deserves attention and which could help us clarify the role of lobbyists and the wasteful spending of the government.

As I said, this very large transaction of \$700 million would have given a private firm control over Pearson airport for 57 years. Several irregularities can be found in the process. The bidding process took only 90 days, that is three months, a period of time which is quite unusual. Only two firms participated in the bidding, one directly linked to the Conservatives, the other to the Liberals.

(1255)

Of course, the firm which was close to the then Conservative government was chosen. That firm was not required to give any guarantee of financial capacity. Sure enough, it got in financial trouble later on.

Then, there was a merger with a firm which was close to the Liberal Party. Part of the reason why the government is attempting, with Bill C-22, to give financial compensation to lobbyists is because many of them are friends of the Liberals, who are now in power.

During the electoral campaign, the Prime Minister promised to bring to light the circumstances under which the agreement had been reached and to cancel the deal. It is done, the deal was cancelled, but we are still waiting for an explanation on how it was reached in the first place. There was only an in camera inquiry conducted by a former Liberal minister from the Ontario government who was close to the Liberal Party.

In fact, the only purpose of Bill C-22 is to cover up the whole thing without getting to the bottom of it. The government wants to determine, without Parliament having one word to say about it, the amount of potential compensation to be given to those thwarted investors.

Imagine! The government wants to have all the powers, to determine the amounts to be paid and to decide to whom those amounts will be paid. What a great way to deal with their friends. That is why the Bloc Québécois is asking for a royal commission of inquiry. That is the only way to know if the investors who were involved in this deal have to be compensated, to determine the amount of compensation and to know the role that lobbyists played with the government.

Bill C-22 is unsatisfactory in several respects, and above all, it falls short not by what it says but what it does not say. According to the government, the bill sets no limit on the amount of potential payments and does not prevent negotiations. It says what the government is prepared to consider and what it is not prepared to consider. It says negotiations may not continue indefinitely. However, the nature of such payments should be specified. This bill should specify the kind of payments that may be made and not the kind of payments that will not be made.

*Government Orders*

Unfortunately, the decision is restricted to cabinet itself. The government will use section 9 to discourage all kinds of people from trying to make a case, and the rest will be up to the decision of the minister, in the privacy of cabinet. It is unacceptable to exclude Parliament, as the government is trying to do here, from such important decisions and to give Cabinet a blank cheque. And on top of that, to give so much latitude to the Minister of Transport who has already made a mess of the grain situation in western Canada. It is unacceptable to authorize payment of compensation without being sure such compensation should be paid.

There are several reasons why we would like a royal commission of inquiry.

(1300)

Why a royal commission? To find out why the government officially requested proposals for the privatization of Terminals 1 and 2 at Pearson. Why would everything be done in a single phase? No pre-qualifications, unlike the process for Terminal 3, which included two phases. Why was the time frame in the request for proposals so short? Only 90 days. It was impossible for groups that, unlike Claridge and Paxport, were not already involved in the airport's management, to submit a valid bid.

Why was the contract signed on October 7, 1993, in the middle of an election campaign, after some reluctance on the part of the chief negotiator who demanded written instructions before signing? What was the exact role of the lobbyists? Whom did they approach? What was the cost to the taxpayer of this hasty decision? Who really benefited? Why did the Conservative government want to privatize Pearson, the most profitable airport in Canada?

In fact, there are a number of questions that arise, a number of fundamental questions about lobbying and the government's role. The government wants to try to cover up this affair. The Bloc Quebecois, including me, will vote against Bill C-22, and we will demand a royal commission of inquiry to shed light on what happened.

**Mr. Louis Plamondon (Richelieu):** Mr. Speaker, while interventions are limited to ten minutes, I would like to say a few words on that horrible and surprising bill. Surprising, yes and no, since, in this Parliament, when the Liberal Party forms the government, we are used to hearing two different tunes: one during the election campaign and another after the election. In my region, we call that speaking out of both sides of one's mouth. When they were in the opposition, they sang another tune.

When we started the debate today, I think that the hon. member for Bellechasse, who is a notary, did a marvelous job of outlining the legal aspect and the legal contradictions of that bill. The hon. member for Québec-Est has just finished his

speech with at least ten questions. Very precise questions calling for clear answers. Only a commission of inquiry empowered to call for sworn testimony could find the answer to those questions.

Yet, the deal was made by the previous government. Why is this government covering up a deal made by its predecessor? Previous speakers of the Bloc Quebecois also mentioned that. The reason is that the same gang is running both parties. This is why we had a budget similar to Conservative budgets. This is why the reform of the unemployment system is similar to the one brought forward by the Conservatives with Bill C-113. This is why the elderly are now under attack as they were under the Conservatives.

This is the reason why the salaries of our courageous civil servants are frozen. The constables that I see up there have their salaries frozen for six years, but that is not a problem. All this is done in an official way in order to be transparent. But when time comes to pay friends that are part of a gimmick like the one at Pearson airport, then it is left to the discretion of the minister or of the cabinet. That is the situation and this is why we are asking for a royal commission of inquiry.

Why should a minister be allowed to reward a chum? And the list of chums of the party is known. The list is there with the names of organizers, senators, people who have generously contributed to this party, as well as to the other, both of which are maintaining such an unacceptable system.

[English]

**Mr. Mills (Broadview—Greenwood):** Mr. Speaker, I rise on a point of order. I would like a ruling from you. Is it appropriate that the member from the opposition could say that there was a payoff involved with the Pearson airport and Liberal Party funds? That is not really appropriate for this type of debate.

(1305)

**The Deputy Speaker:** The parliamentary secretary will appreciate that the word payoff is a word that means many things to many different people. I will not find that a point of order in these circumstances.

[Translation]

**Mr. Plamondon:** Mr. Speaker, I see the hon. parliamentary secretary is afraid of the truth, so he raises points of order to interrupt me and gain time. They had ample time to say what they wanted between the four or five Bloc Quebecois members who just spoke; they did not do so simply because they have nothing to say. They just want this debate to end because they are ashamed, they bow their heads so as not to see their own minister, their own party say today exactly the opposite of what they said during the election campaign. It is now time for them to reward friends of the party, those who brought them to power. They have to return favours.

*Government Orders*

There is a clear explanation for the 22 committees announced in the last budget. Why create so many working committees when they had the red book and said that it contained solutions to all problems? According to them, there were solutions for all issues and the government had plans in all areas. But that was not enough, they had to create 22 advisory committees with the last budget. Why? Because these committees will need communication companies, lobbying firms and people to subpoena witnesses so it will be possible to reward friends of the party and financial contributors. So they spread favours around generously, just like the Tories did in 1984. They reward people and then they will present a bill on lobbying and say: "We must change things now that we have taken care of our friends".

This Pearson operation is typical; let us not call it the bill, but rather the Pearson operation. This operation rewards friends of the party. If you are sincere when you say you want to solve the problem, as you seemed to be during the election campaign, then throw down your masks, show your face, accept a commission of inquiry; you will not be smeared if you are really sincere, if you did nothing wrong. Take off your masks, create the commission of inquiry and then we will see. We will see if you are so innocent and if you are sincere when you speak about lobbying. If the commission of inquiry concludes that changes are required, we will then invite you to go even further. That will be the real step, the first real step in the right direction, the direction of party financing by the people.

I presented a motion on that point. What did the Liberal members reply?

(1310)

They ridiculed a motion which exemplifies the beauty and the greatness of Quebec in the area of political transparency. Other provinces share the same desire since seven of them limit the amount of donations to political parties. At least, they set a limit. Here, in the House of Commons, we will not set any limit. The government knows which side its bread is buttered on. I understand why the Liberal members remain silent, their heads bowed low in shame. They were financed by these people.

When I was a senior at l'Académie de Québec, my philosophy teacher, after a particularly brilliant argument which had left us speechless or totally unable to counter, used to say: "Dear friends, it is not given to swines to appreciate pearls". Of course, he said that in jest. I wonder what he would think—he is long dead now, but I cannot help thinking of him and he might be doing the same right now—if he saw this scandalous piece of legislation. Bill C-22 could have heralded a new approach

regarding lobbying firms and transparency. But instead, what we have is a Conservative document.

This bill is no different from those the Tories used to pass to protect their buddies, their clique. No wonder we have a deficit. No wonder no decision is made. It is because the government is waiting. It just came to office and is giving its financial supporters a chance to fill their own pockets, under the same system as we had with the Tories.

That is why we say that it is high time for the government to make a move, and order a commission of inquiry as requested by the Bloc Québécois. It would go a long way, not only to get to the bottom of this, but also to expose all the secret manoeuvring of lobbying firms and, eventually, to control their actions through a well-structured piece of legislation that could remedy this situation.

I see that my time has expired but I am sure that I will be granted unanimous consent to continue for another ten minutes or so. The member for Glengarry—Prescott—Russell is signalling me. I thank him. I will then continue for just 10 minutes.

**The Deputy Speaker:** Order, please. The member asked the question. Is there unanimous consent for him to go on?

**Some hon. members:** Agreed.

**Some hon. members:** No.

**The Deputy Speaker:** It does not look like it.

**Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons):** Mr. Speaker, the speech of my colleague, the member for Richelieu, prompts me to take part in this debate, even though I do not have much influence in the Toronto Lester B. Pearson airport deal, as member for Kingston and the Islands.

In any case, this contract poses a problem and I am glad this government did something to correct the situation.

[English]

What we have been faced with is a filibuster by members of the party opposite who seem to think that when the government tries to fix something they had better jump on bandwagon.

I know what happened. Throughout the election campaign while we were criticizing this deal and indicating that it was unacceptable to the people of Canada, we heard absolutely nothing from the hon. member for Richelieu and his colleagues. They are busy trying to make up for lost time and they are doing it by making windy speeches in the House, saying how awful this is. They are trying to find fault with a perfectly reasonable and sensible government bill that gives the government the power to abrogate this deal. That is my understanding of it.

*Government Orders*

The hon. member for Broadview—Greenwood made an excellent speech on this subject the other day and so did the hon. member for Glengarry—Prescott—Russell. I was impressed because I was hearing the facts about the bill for the first time instead of the distortion we have been faced with from hon. members opposite.

(1315)

I know the hon. member for Richelieu used to be a Conservative. He was part of the bunch who cooked up this deal. I can understand why he left that party; he had some sense of shame. He knew a bad deal when he saw one. He could smell a rat. That is what this deal was.

We saw it and we talked about it. The hon. member was not speaking about it and he should have been. He should have been denouncing this deal up and down the country. Instead of that, he was off talking about Quebec independence. He could have been talking about this deal because he knows a bad government. He was elected to support that government. That is the shame of it.

**An hon. member:** That is why he changed.

**Mr. Milliken:** The hon. member now says that is why he changed. I am glad he saw at least some light. Unfortunately there was not quite enough light to bring him to the other side of the House.

Nevertheless, the hon. member realized it was the previous government that caused this calamity. It made this deal and made it in a great rush before it got defeated at the polls. Those members knew that government was going out, so what did they do? They ran to their friends and said: "Quick, let's make a deal. We will sell the airport to you because those Liberals won't sell it to you, not on these favourable terms. Let's make a quick deal and we do not care if we hoodwink the Canadian taxpayers on the way by". Of course the Tories had been doing that for nine years anyway. Everybody knows that.

They cooked up this deal to get it through in a hurry while the hon. member opposite stayed silent. Our party, to its credit, denounced the deal from the very beginning and announced it would review the deal. That was the right thing to do.

We announced we would review the deal on taking office and that was done. It was a promise made and a promise kept. Hon. Robert Nixon was appointed to review this deal thoroughly and capably and he prepared a report. He said the deal was no good, that it was a bad deal for the Canadian taxpayers. Accordingly, the deal was rescinded by the government.

We have acted entirely properly on this. Now we are faced with a filibuster in the House by the opposition because it somehow wants to try to find fault with this thing. That is what it says.

**Mr. Boudria:** Johnny—come—latelys.

**Mr. Milliken:** Johnny—come—latelys is right, as the hon. member says. Not only are they Johnny—come—latelys, they are busy trying to pretend it was they who opposed it all along and that somehow the government has not followed through and done its bit.

The government has done its bit. It is asking for authority from this House to make a negotiated deal on very reasonable terms with the purchasers of the airport. If the deal is not favourable, then there will be no compensation at all. That is my understanding of the effect of the bill and I think it is great.

I will not bother expressing my own personal views on how much these people should get, but I can tell members it is a very low figure. I will go that far. The argument is that it should not be done retroactively but I do not think this argument holds weight.

These people went into this deal with their eyes open. They knew they were faced with an opposition party at the time, the Liberal Party of Canada, which announced it was going to review the deal. The investors knew they were at risk of losing any money they put into the deal when they went ahead with it, with the previous government which one could almost describe as crooked in its dealings in this case.

The deal has been canned by the government. The legislation is asking the House for authority to correct the situation. It is good legislation. The opposition should be supporting it enthusiastically. Instead, what do we get? An amendment has been moved. Since we are debating the amendment, let me read the words of the amendment to the House because some hon. members opposite may have forgotten what it was they moved many days ago, early in this debate.

I want to point out that no bill has taken anywhere near as long as this one to get through the House. This is a fairly minor piece of legislation, yet the opposition has gone berserk on it. It is amusing to listen, but honestly one would think they would have had their priorities better placed. They have run out of stuff to criticize. That is the problem. The government is so good they do not know what to criticize.

The amendment says that the House declines to give second reading to Bill C-22 and so on "because the principle of the bill is flawed due to the fact that it contains no provisions aimed at making the work done by lobbyists more transparent". What utter nonsense. Of course it does not. This is not a lobbyists bill. This is not one that seeks to change the law relating to lobbyists. This corrects one mistake in one contract and gives the government authority to correct the mistake. That is all it is for.

The bill does not say it is to change the rules relating to lobbyists. It never purported to do that. The government announced it is going to bring in such a bill. All we hear is criticism from the other side because we have not moved quickly enough on that. The bill will be forthcoming shortly.

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Hon. members opposite need only hold their breath for a short time. I recommend they do so and the bill will appear.

(1320)

When the bill appears they will have ample opportunity to discuss the law relating to lobbyists. They do not need to do it on this bill, but I am delighted they have taken the opportunity. At least we have the advantage of receiving their views on a lobbyists bill. We know when it finally comes before the House the debate will be extremely short because they have all made their speeches on it ad nauseam on this particular amendment.

I am looking forward to a very short debate on the lobbyists bill and getting it studied in detail in committee. I know hon. members of the Bloc Québécois particularly, the Official Opposition in the House, will participate in the committee enthusiastically when that bill comes before us.

In the meantime, why are we delaying this very important piece of legislation? Is it because they want a general discussion on lobbyists? Maybe. If so, they have not said a lot about that. They have been busy denouncing this deal, which we all agree is a bad deal.

I do not think anybody in the House is at variance on that, except possibly that former cabinet minister who sits in the back over there now, the hon. member for Sherbrooke. His views may be shared by the hon. member for Saint John. I would not want to accuse her of supporting a deal like that because of course she was not elected to this House in the last Parliament, although she ran as a candidate for the party that did make the deal.

I think they are the only two in the House who would support it. Of course we have not heard their views that I recall in this debate, so I do not know for sure whether they support this bill. However the opposition does not. The Reform Party does not. The government does not. The New Democratic Party, to the best of my knowledge, does not.

So why all the debate? Hon. members opposite are simply, as I say, trying to jump on a bandwagon to make up for the fact that they failed to criticize this deal, failed to make their criticisms known publicly before the election.

Why was that? Is it because so many of the members of the party opposite were once Conservative and they feel some kinship with the former government that made this deal? Could it be that the hon. member for Richelieu and his colleagues who used to be Tories before they became members of the Bloc feel they ought not criticize the fellow that got them elected in the first place, Mr. Mulroney? It was his government of course and his successor government that made this deal. The deal was clearly made with the friends of the previous government,

although it was the Kim Campbell government that made the arrangement.

Is that why there has been this reticence on the part of the opposition? The Leader of the Opposition of course was a Mulroney puppet at one time. He owes his whole political career to Mr. Mulroney.

It cost \$143 million, was it not, to get him elected? Is that not what they paid to get him elected in his riding in a byelection? If that is what it cost, maybe that was the price of his silence on this issue until the debate came up here in the House of Commons, long after the event, instead of a level criticism dumped on this deal early on, way back during the election campaign. That is the kind of thing that should have happened.

Here the government is seeking to do the right thing and all we get is a long debate with criticisms thrown at the government as though somehow we had made this deal. We unmade the deal; we cancelled it. We have brought the bill in to correct the situation. Hon. members opposite instead of criticizing the government for this should be offering their enthusiastic support for this legislation.

[Translation]

**Mr. Richard Bélisle (La Prairie):** Mr. Speaker, I take the opportunity given me by this debate on Bill C-22 to draw the attention of hon. members on the links between several, apparently unrelated, circumstances.

On May 4, the *Globe and Mail* reported that federal contracts to the private sector, which amounted to \$2.9 billion in 1984-85, reached \$5.2 billion in 1992-93, and will reach an even higher level in 1993-94. The largest item, \$332 million, is related to the maintenance of the air fleet.

Strange coincidence when talking about the sale of Pearson-airport to private interests. The second item, \$330 million in 1992-93, is for the management of foreign aid. This expenditure is important when you realize the problems and the complexity of managing CIDA, an agency which, following the Auditor General's report, is trying to prepare a management plan for its activities scattered, as we know, in 115 countries around the world. Federal contracts for the department of defence have gone up from \$740 million in 1984-85, to \$1.5 billion in 1992-93.

(1325)

The budget for temporary employment has jumped from \$52 million to \$101 million in the same period, this means that it has doubled in nine years. What is more disturbing is that, still according to the *Globe and Mail*, almost half the 36,166 contracts signed in 1992-93 were awarded without call for tenders. I would like to quote Mr. Daryl Bean, president of the

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Public Service Alliance of Canada who said in this regard: "Too often selected firms are friends of the government".

Mr. Martin's budget of February 22 is revealing on that subject. According to the minister's statement on that day, it is giving corporations a series of tax benefits in order to promote job creation.

Money for these tax benefits comes from the cancellation of the age credit and cuts in the unemployment insurance program. We are asking the elderly and the unemployed to make sacrifices. As the members know, these sacrifices were to no avail because of the interest rate increase which added further to the Canadian debt these last few weeks. The government is robbing the needy with one hand while giving to its friends with the other. What is it waiting for to cut tax credits and corporate funding, to impose a minimum tax on corporations and large fortunes, to go on with the broadening of the tax base that the minister is boasting about, to broaden it in order to include family trusts?

In his 1993 report, the Auditor General denounced the federal government's permissiveness when dealing with resource-based companies. As we all know a legal dispute that has been going on for 14 years between the government and these companies cost the Consolidated Revenue Fund some \$1.2 billion.

The whole question of federal contracts and taxation of corporations and shareholders leads to considerations about political party financing and transparency in the central government's management which have not been exactly the strong points of our new government since election day, last October 25. While the Bloc Quebecois has adopted the principle of financing by the public, the Conservative and Liberal parties always objected to such a financing system and still receive their funds from both companies and individuals.

We only have to consult the list of big donors of the traditional political parties, it is in the public domain. We can see that those two parties are like two peas in a pod as far as election financing is concerned.

Both Liberals and Conservatives have big donors and Canadian banks are among the biggest. During a recession, these institutions always make record profits, pay very little tax in the end and can only profit from an asset sale to private investors or the buying of lame ducks from private sector by the government. The banks know that the federal government cannot in theory, even if in theory only, go bankrupt, so they will always be eager to finance the government's buying or selling of assets. Lending institutions can only benefit from the proliferation of asset transfers they have helped to bring about.

Mention should be made at this time of one Canadian lending institution which took the liberty of intervening in the debate during the Charlottetown referendum. Like other corporations, it now prefers to operate behind the scenes and avoid public

discussions. Lending institutions are always connected with federal contracts and with major government transactions such as the sale of Pearson airport, the only truly profitable airport in the country.

Obviously, all of the aspects of this deal are interconnected. In planning to compensate the Conservative and Liberal investors involved in the aborted deal to purchase Pearson Airport, the Liberal government is merely returning the favour to those who contribute to the campaign coffers of the old parties. These investors took a business risk. If they had made windfall profits, would a bill have been introduced to tax these too easy or fantastic profits? Obviously, the answer to that question is no. Why then pay compensation to investors at the expense of the average taxpayer? If this agreement had been concluded between two private parties, one would not have received any compensation at all. Why then use taxpayers' money to compensate private investors who took a normal business risk which ultimately did not pan out?

(1330)

The same phenomenon occurs when a call for tenders goes out. Bidders often incur administrative charges and professional fees in preparing their bid. Obviously, the contract can be awarded to only one bidder. Are all of the other bidders compensated for the expenses they incurred? No. Why are there always two standards, one for the private sector and one for the government? Is it because most of the principal stakeholders in this deal have ties to the Liberal and Conservative parties?

Consider the \$1,000 a plate fundraising dinner held in Westmount during the last election campaign. A number of those closely connected with the sale of Pearson Airport were in attendance. Consider as well the \$300 a plate benefit dinner held last week in Montreal which attracted a crowd of 1,600 people. We can safely say that a number of those in attendance were very interested in Bill C-22 and in the compensation to be paid eventually to investors in the deal.

The Bloc Quebecois objects to any form of compensation being paid to investors and therefore, I will vote against Bill C-22. To quote the excellent legislative summary prepared by the Research Branch of the Library of Parliament, "pursuant to clause 10 of Bill C-22, the Minister of Transport may, with the approval of the Governor in Council, enter into agreements to provide for the payment of such amounts as considered appropriate in view of the cancellation". We are opposed to clause 10. Why should compensation be paid to some people if they were able to take advantage of their relations?

We ask the government to legislate as soon as possible to control the activity of lobbyists as it promised to do in the last election campaign. Why do the Liberals not change Bill C-44 on lobbyists that the Conservatives passed in 1988? According to the report of the inquiry by Mr. Robert Nixon, whom the present Prime Minister charged with reviewing the Pearson Airport affair:

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The exact amount of money received by the lobbyists is not known. According to the real estate developers' sources, it would amount to \$1.5 million over 18 months.

Mr. Nixon also questions the excessive rate of return granted to the airport tenant. He also mentions the role of patronage and pressure groups in this transaction. The role of lobbyists in this affair went beyond what is usually expected. The investigator tells us that lobbyists were directly responsible for the reassignment of several senior officials and the request from some other officials to be replaced.

We ask the government to get to the bottom of this transaction and to hold an independent public inquiry which alone can reassure disillusioned taxpayers. Is this another promise in the red book that will remain a dead letter or be postponed indefinitely? When does the government intend to keep the promise mentioned in the red book during the election campaign of a code of ethics for ministers, senators and members of Parliament, political staff and public servants, to provide a proper framework for their relations with pressure groups? The openness and accountability of government are at stake.

In conclusion, for us in the Bloc Québécois, in future, Pearson Airport in Toronto should be run by a non-profit airport authority, like the airports in Montreal and Vancouver.

**Mr. Yvan Bernier (Gaspé):** Mr. Speaker, it is with pleasure that I speak again on the issue of Pearson Airport, a subject close to our hearts. I would like to start by responding to a point the hon. member for Kingston and the Islands made earlier in his speech. My friend opposite said the Bloc Québécois was criticizing and that we might be criticising for the sake of criticizing or because we could find nothing else to criticize.

First, the people across the way should not forget they are the ones responsible for the legislative agenda. Bring in something else and we will go along. It is just that so far in this Parliament, the legislative agenda has been rather light. The people of Canada and Quebec have a right to see things happening here.

(1335)

Many promises were made in the red book. Now, the government is getting political mileage out of making good so to speak some of these promises. But we need more than mere promises to make this country work.

There is an echo in this place, Mr. Speaker. So, I will carry on with my speech to make sure the Bloc Québécois' position on this is perfectly clear. For the information of the hon. member for Kingston and the Islands, I would like to quote, if I may, from an article published on May 9 in the *Ottawa Citizen*. I think it shows pretty clearly why the Bloc Québécois is questioning the Liberals' motives for wanting to pass this motion so quickly.

I am not perfectly bilingual, but I will read this article in the language of Shakespeare, as it was written in English. This will give the anglophones in my riding an opportunity to hear how I speak this language I am trying to learn but have not yet mastered.

Here is what Mr. Greg Weston wrote. I will spare you certain points of detail, but the part that I found particularly interesting reads as follows:

[English]

Given the billions in potential profits the developer lost in all this and the government's apparent bazooka-like approach to compensation, the silence from the negotiating table seems rather deafening.

Cela veut dire que ça rend sourd un peu.

In that respect one observation from the recent compensation meeting in Toronto is perhaps worth noting: The firm with the largest stake in the development consortium and therefore the most to lose is Claridge Properties. It happens to be controlled by Montreal billionaire Charles Bronfman who happens to be a friend of the Liberal Party.

L'histoire commence à être intéressante.

As it also happens the Liberal government still wants to develop Pearson airport in a big way, will be looking for a suitable developer and is eager to get the work started this fall. One of those at the recent compensation meeting in Toronto observed a pretty relaxed group of Claridge executives. Interesting, no?

[Translation]

That is what our friend Greg Weston wrote in the *Ottawa Citizen* on May 9. How can we, from the Bloc Québécois, give the Liberals opposite a blank cheque when there is already talk about games being played behind the scenes?

We want to know what we are dealing with before any compensation is paid. We want to know what happened, and who was involved in particular, to see how Pearson airport could be developed later on.

We sense certain things. We hear that the government wants to develop Pearson Airport, still. So, it would be very interesting to start over with a clean slate, instead of using what I might call the "humus" borrowed from the previous government and the current one as well.

I also wanted to stress the importance of this case. We are not talking about something minor. Some 57,000 passengers go through this airport. Twenty million passengers a year. Three hundred destinations in 60 countries. Plus 56,000 direct and indirect jobs and some \$4 billion in economic spinoffs in Ontario.

So this is very important; we cannot remain silent and trust them when they say that there were no lobbyists. The \$4 billion at stake is very important for the economy.

The contract still has not been made public. However, if we believe what journalists have told us about it, the Nixon report points out that lobbyists' involvement of this case seems unusual. Lobbyists were more active in this case than in any other where the government must make decisions. So it is very

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important that Canadians and Quebecers be aware of what goes on behind the scenes.

(1340)

Another thing that struck me is how fast the contract was signed in the midst of last year's election campaign. The former Prime Minister hastened to sign this contract, this agreement, despite the current Prime Minister's election promise to cancel it. However, the same bunch of friends seem to be hiding behind all this. I think that Canadians and Quebecers have the right to know what is going on.

The other thing that bothers me is that, in the redevelopment and operation of Pearson Airport, the government had promised not to finance the modernization of Terminal 1. Nevertheless, it has apparently granted rent reductions worth several millions of dollars, which amounts to investing. It seems as though the right hand does not know what the left hand is doing.

The Nixon report also lists 10 unusual deductions for calculating gross revenue on which the rent is based. Again, are friends of the current and former governments pulling the strings to help themselves? For us, it is very important that all this be disclosed.

The other point, as there are two kinds of opposition in this country: Opposition members and the media. The Toronto *Star* also tells us that, according to its own research, the transaction would probably have triggered an increase in the per passenger cost related to the use of this airport. The increase would have been passed on to users. If it is a government responsibility to develop transport networks in Canada, I think that the government must assume the responsibility of facing Canadians and telling them that this transaction will result in increased costs to them, instead of relying on a friend to do that dirty job.

Let us say a word about this government which refuses to shed light on the issue and refuses to conduct an inquiry into that transaction. We are dealing with the transport sector. On Thursday, I must go back to my riding. I will sit on a rural dignity committee and listen to people who have things to say about railroad transport in Eastern Quebec, and specifically in my riding of Gaspé. This is an initiative taken by local people, because the government refuses to hold such hearings. As a member of the opposition, I agreed to sit on that committee and report back to Ottawa the grievances of those people.

But why does the government refuse to assume its responsibilities? People have things to say. We are talking about transport. Why do people in the Gaspé Peninsula have to take the initiative and set up their own committee, without the means available to a House committee, such as interpreters and a staff to type transcripts? They will do a very good job, but some people may

feel somewhat prejudiced by the way hearings will be conducted. Indeed, although I understand English, I cannot speak it as fast as those people. But I will be there and I wanted to point that out.

My time is running out. I will conclude by mentioning two major points which will more or less summarize what I said earlier. How did the previous government come to approve a project which goes totally against public interest? Are there interests other than the public's interest at stake, such as friends of the former and current governments?

We, Bloc Québécois members, feel that a public inquiry is absolutely necessary in this case. The credibility of the government opposite depends on such an inquiry. If members opposite continue to hide behind closed doors and let lobbyists govern the country, you can understand that it will give us strong arguments for the upcoming referendum. Indeed, it will be very easy to say: Look, if you want to continue to live in a type of federation which lets lobbies make decisions, you can have it.

(1345)

**Mrs. Suzanne Tremblay (Rimouski—Témiscouata):** Mr. Speaker, I am very pleased to participate again in this debate on Bill C-22.

First of all, I would like to tell you how surprised I am to see a government that, just weeks ago, contended it was bound by a secret verbal agreement—more bounded than that, you choke—now be able to get out of a written, signed agreement.

I notice also that the government refused categorically to provide us with any information whatsoever, not one single document, on the verbal agreement regarding Ginn Publishing. In the case of the signed agreement between Her Majesty and T1 T2 Limited Partnership however, it produced a schedule attached to the bill listing 24 agreements and leases, as well as 7 other agreements and 19 other documents, for a total of 46 different documents. But again this was an agreement the Prime Minister had signed herself with her Minister of Transport.

How the government can so easily break that many agreements and leases while the Minister of National Heritage is incapable of getting out of a verbal agreement remains a great mystery to me, a mystery I hope we will be able to clear up someday.

That being said, I would like to address two questions: first, did the government negotiate a secret, possibly verbal, agreement with regards to compensation that could be paid under clause 10? Second, does the government intend to favour unduly, as it has in the past, Pearson Airport at the expense of other airports in the Toronto region and elsewhere in Canada?



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Let us start by looking at a possible secret deal. This bill makes use of the well-known Liberal technique of concealment. For example, clause 9 reads, and I quote:

No one is entitled to any compensation—

That sounds clear and simple. Finally, we think, the government is taking a firm stand.

Wrong. Again, the government is concealing its real intentions, because paragraph 10(1) of the bill states, and I quote:

If the Minister considers it appropriate to do so the Minister may, with the approval of the Governor in Council, enter into agreements on behalf of Her Majesty to provide for the payment of such amounts as the Minister considers appropriate in connection with the coming into force of the Act, subject to the terms and conditions that the Minister considers appropriate.

In other words, for my hon. opponents who have not yet understood, the government is giving itself the authority, without telling anyone, as is its way, to pay its friends what it wants, without reporting the amount.

Because remember, several friends of the Conservatives and also of the Liberals, of course, are in the T1 T2 Limited Partnership. For the information of some Liberal members who always made it a duty under the former government to point out the shadow of a doubt about conflicts of interest, I remind them that several of their fund-raisers and affiliates took part in the limited partnership in question, which will benefit from clause 10(1) of the bill which we are discussing.

Since the lunch hour is often a time for game shows on television, I suggest we play a game of Jeopardy.

Here are the clues for the first question: He owns Claridge Properties Inc., which controls T1 T2 Limited Partnership; he is also a great Liberal and contributor to the party's election fund. You are right, the question is: Who is Charles Bronfman?

Second question: He is a lobbyist for Claridge Properties and a former organizer for Jean Chrétien. Once again, you are right: Who is Herb Metcalfe?

Third question: He is a Liberal senator and held a \$1,000-a-plate benefit supper during the election campaign; coincidentally, he is on the board of Claridge Properties, the majority shareholder of T1 T2 Limited Partnership. You are right: Who is Leo Kolber?

And I could go on.

Again I ask: Is there a written or verbal agreement guaranteeing payments to shareholders of T1 T2 Limited Partnership that this bill would implement?

(1350)

I want to pay particular attention to the written or verbal agreement as one of the people involved in the Pearson Airport case is Fred Doucet, the lobbyist who managed to convince the Liberal minister of heritage to sell part of the Canadian heritage to foreign interests by invoking a verbal agreement.

The Minister of Transport must table all the documents kept secret on this bill, and especially its virtual or potential agreements to prevent the government from wasting public funds, as it seems to be doing, to thank its friends and compensate them for an election promise that cost them a juicy contract. It must be as transparent as it claims to be and set up a royal commission of inquiry to shed light on the case and its history.

Otherwise, Quebecers and Canadians will know that under their Liberal government, a beer drinker can have his benefits cut without qualms while a distillery owner gets breaks such as Clause 10 of this bill.

Bill C-22 does not say anything about the government's intentions regarding Pearson airport. We already know that the government intended to favour this airport at the expense of other Metro Toronto airports by prohibiting Transport Canada from making, at any airport located within a 75-kilometre radius of Pearson airport, investments likely to decrease traffic at Pearson. In Montreal, Transport Canada forced the Montreal airport society to keep Mirabel and Dorval airports open as a requirement for privatizing airport operations. Unfortunately for Montreal, while Jean Chrétien and his then colleagues were plunging the country into an astronomical deficit—the last of which, in 1984, has never been matched in constant dollars—, they did not choose the same path as that taken for Toronto, that is expanding the existing airport instead of creating two lame ducks to Toronto's great delight.

I will quote Jean Lapointe, the spokesman for the Reaction group that includes airline and aircraft industry employees as well as the Canadian Manufacturers' Association. Mr. Lapointe made the following comment regarding the decision of the Montreal Airports Advisory Board to keep both airports in operation: "It is clear that Ottawa has opted in favour of Toronto. Can Quebec have a competitive airport system? The answer is no. Quebec will only manage to do that through sovereignty, because its hands will no longer be tied by the decisions made in Ottawa". So, what is that decision made by Ottawa all about?

Claude Picher, who is a journalist with *La Presse*, tells us that entrusting the management of Dorval and Mirabel airports to a non-profit corporation was conditional upon maintaining two major airports for the greater Montreal area. This is a case of double standard.

There is also the issue of investments. Does this government intend to invest massive amounts of money in Pearson Airport, to the detriment of other airports which must be self-financing? Let us not forget that the cancelled contract provided for investments of some \$700 million for terminals 1 and 2 at Pearson Airport. We still do not know if the government will make these investments before entrusting the management of the airport to who-knows-whom. By contrast, the Montreal Airports Advisory Board, which does not have the financial means of the government, will invest some \$150 million, or \$30

million annually over a five-year period, to modernize and improve the infrastructures and facilities at Dorval and Mirabel.

The previous and current governments chose Toronto, and Montreal is still paying the price. According to the daily *Le Soleil*, in 1990, 20.5 million passengers were processed at Pearson Airport, compared to 8.9 million for Dorval and Mirabel combined. In the same editorial, Michel Audet points out that, in 1952, Montreal had 20 per cent more head offices and financial institutions than Toronto. But by 1988, it had 60 per cent fewer. Mr. Audet also mentions the fact that between 1975, which is the year Mirabel opened, and 1980, the number of passengers increased by only 13 per cent in Montreal, compared to 37 per cent in Toronto. This pattern has persisted and is even more pronounced now. This bias also led to significant job loss in the greater Montreal area. For example, an official of the Public Service Alliance mentioned that he now represents only 900 employees in the Montreal area where he used to speak for 1,200 workers in 1978.

(1355)

I leave you with the conclusion Claude Picher came to while reviewing the study conducted by Aéroports de Montréal, a study which concluded that the greater Montreal should keep both its airports. Mr. Picher said, and I quote: "Hundreds of millions of dollars have been thrown in this venture which did nothing to improve the competitiveness of Montreal. Quite the opposite in fact, since the Mirabel fiasco is partly responsible for redirecting traffic to Toronto."

Since airports in Dorval, Mirabel, Edmonton and Vancouver were handed to non-profit corporations, why should we have something different for Toronto? Is it that what is good for the rest of the country is not good enough for Toronto? The government does not seem to want to answer to the requests made by the greater Toronto area, why is that so? Why does the government not entrust the management of Terminals 1 and 2 to a non-profit organisation immediately?

**The Deputy Speaker:** I am very sorry, but I have to inform the hon. member that her time is up.

**Mr. Jean-Guy Chrétien (Frontenac):** Mr. Speaker, for more than two weeks, we in the Bloc Québécois have been constantly raising what is now usually called the Pearson affair. We do not have to reinvent the wheel, we only have to use it properly.

In other words, even if what I am about to say is not all new, it is important to repeat it until concrete action is taken on this problem. The aspect I wanted to underline concerns the popular financing of federal political parties. This debate is related to a motion presented in the House by my friend and colleague, the

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member for Richelieu. The reason for popular financing is so simple that even a child would understand it.

You know, Mr. Speaker, if you are a student and your parents pay your rent, your dearest wish is to find a job so you can meet your own needs and do as you please. It is easy to understand, you are indebted to your provider. In politics, it is exactly the same. The ultimate goal of any political party should be to be as independent as possible. The only way to reach this goal is to be financed by public contributions. We are elected by the people and are answerable to them. If our hands are tied by multinationals which finance us, our room to move will be very limited, particularly if the interests on the one side do not necessarily go together with those on the other. If financial reasons did not guide the actions of governments, people would pay more attention—

**The Speaker:** Order. As my hon. friend knows, you have a few minutes left for your speech. You will have the floor again after Question Period.

It being two o'clock, pursuant to Standing Order 30(5), the House will now proceed to Statements by Members, pursuant to Standing Order 31.

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## STATEMENTS BY MEMBERS

[English]

### BOSNIA

**Mr. Rey D. Pagtakhan (Winnipeg North):** Mr. Speaker, yesterday was Mother's Day. Sons and daughters everywhere reaffirmed their love for their moms, whose love for their children knows no bounds—not distance, not time, not even death.

The bond that exists between mother and child is stronger than the strongest steel, harder than the hardest wood, and more enduring than any other bond of love.

Today I speak of those children who, because of war, have lost their mothers or whose mothers or families can no longer provide for them. I refer to the children of Bosnia.

I urge each of us in the House to do everything we can and ask the government to act quickly to provide a safe haven for these orphans of war.

Let Parliament lead in easing their pain, their hunger, their illness, their injury and their imminent death, even as we intensify our efforts to search for peace in that part of the world. Let Canada be a mother to the children of Bosnia orphaned by war.

*S. O. 31*

[Translation]

### CONFEDERATION OF NATIONAL TRADE UNIONS

**Mrs. Madeleine Dalphond-Guiral (Laval-Centre):** Mr. Speaker, today is the first day of the convention of the CNTU, one of the major labour confederations in Quebec.

The Bloc Québécois would like to stress the importance of that event, because the CNTU has contributed over the years to fostering co-operation between all economic agents, and to consolidating collective values in Quebec.

Since co-operation and joint action are required if we are to succeed in an economy where competition gets stronger by the day, the Bloc Québécois praises the CNTU for its efforts in that direction and reminds the Minister of Human Resources Development that social contracts are not negotiated unilaterally, but collectively.

Mr. Speaker, the impasse the Liberal government has reached in its co-operation with the Quebec government shows that Ottawa has much to learn from the CNTU.

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[English]

### YOUNG OFFENDERS ACT

**Mr. Leon E. Benoit (Vegreville):** Mr. Speaker, acts of violence across Canada have sparked further calls for a complete review of our justice system, in particular the Young Offenders Act. The slap on the wrist punishments handed down to young offenders are ineffective and far too lenient. Justice reform is needed desperately but Canadians have yet to see action from the government.

As a result of the federal government's inaction the province of Alberta has taken the unusual step of reviewing federal legislation. Five MLAs will gather the opinions and suggestions of Albertans on how to make the Young Offenders Act more effective and present their findings in a final report in September.

Justice rallies were held last weekend in Calgary and Edmonton with a turnout of approximately 5,000 people. It is frustrating to see what lengths honest law-abiding citizens and the Alberta government must go to in order to bring the government's attention to the fact that Canadians are deeply concerned about their safety.

For the sake of all Canadians I sincerely hope the government is listening to Albertans.

### INTERNATIONAL YEAR OF THE FAMILY

**Mr. Paul Szabo (Mississauga South):** Mr. Speaker, the United Nations General Assembly has proclaimed 1994 as the International Year of the Family. However this is not as much a celebration as it is a warning.

Over the last 20 years the percentage of families with both spouses working has increased from 34 per cent to 62 per cent, thereby reducing the amount of direct parental care. In addition each year over 20,000 unmarried women aged 12 to 19 give birth with the majority choosing to raise the children themselves. As a result most do not finish their education and are likely to become dependent on subsidized housing and welfare. Their offspring are at a higher risk of being premature or a low birth weight, more likely to experience difficulty in school, and more likely to become single parents themselves.

Accordingly policies and legislation for strengthening the traditional family should be a primary concern to our government. As well employers and parents must also realize they have increased responsibilities to ensure that the family remains the basic unit of society.

\* \* \*

[Translation]

### DEMOCRACY

**Mr. David Berger (Saint-Henri—Westmount):** Mr. Speaker, last week's events should make all Canadians think.

There was the signing of an historic agreement between Palestinians and Israel. Also, democracy has emerged in South Africa. Nelson Mandela invited all his fellow citizens to forget about the past and he called for their unity. He said and I quote: "We can have our differences, but we form one single people, with a common destiny within our rich variety of cultures, races and traditions."

In contrast with such remarkable developments and this lucidity, in Canada the Opposition Leader has told a radio audience that our differences were irreconcilable.

It is surprising that the former Canadian ambassador in France cannot see the link between what is going on elsewhere in the world and the situation here in Canada. Talk about being blind!

\* \* \*

(1405)

[English]

### WINNIPEG ROTARY CLUB

**Mrs. Georgette Sheridan (Saskatoon—Humboldt):** Mr. Speaker, I rise in the House today to offer my congratulations to

two students representing Saskatoon at the Rotary model United Nations in Winnipeg on May 5, 6 and 7.

The model United Nations, as the name suggests, permits secondary students to simulate the debate and negotiation skills that are the hallmark of the actual United Nations. Over 200 students from across Canada and the United States participated in this year's event.

Miss Nancy Lees of Saskatoon and my son, Paul, currently in Ottawa for the week, were Saskatoon delegates representing the country of Iraq. I am pleased to announce they received the award for best prepared delegation at the closing ceremonies last Saturday night. Well done, Saskatoon.

One of the best ways to encourage our young people to be full participants in our democratic system is to provide them with opportunities to take part in these simulations: model parliaments, model legislatures and so on.

Hats off to the Winnipeg Rotary Club for hosting this worthwhile event.

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[Translation]

#### NATIONAL DAY CARE WEEK

**Mrs. Christiane Gagnon (Québec):** Mr. Speaker, National Day Care Week started today. For all members of this House, this week should be the appropriate time to reflect on our daycare system.

We cannot ignore the clearly unacceptable working conditions of daycare educators, whose responsibilities are fundamental to children's motor and intellectual development. When we know that Newfoundland educators earn \$12,500 a year while the Canadian yearly average is \$18,500, we can wonder about our governments' order of priorities in the social field.

The year 1994 is the International Year of the Family. What are governments waiting for to appreciate the true worth of these people's work, which value is incalculable for parents and for society as a whole?

\* \* \*

[English]

#### THE LATE STEPHANIE GRAVES

**Mr. Jim Abbott (Kootenay East):** Mr. Speaker, last weekend on Saturday I, along with about 350 other people in my constituency, attended the funeral of eight-year old Stephanie Graves who was attacked and shot in the Kimberley area.

I would like to state my support for her parents and family. I was encouraged to see the way in which the residents of Kootenay East have banded together and circled the wagons to help them through the tough days ahead.

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I would like to read the words of a song sung by members of Stephanie's class at her funeral:

I like your eyes  
I like your nose  
I like your mouth, your ears, your hands, your toes.

I like your face  
It's really you  
I like the things, you say and do.

There's not a single soul  
who sees the skies  
The way you see them, through your eyes

And aren't you glad?  
You should be glad  
There's no one, no one exactly like you.

Stephanie was unique and will be missed.

I am sure other members of the House would also offer their support to her parents, her family and her community.

\* \* \*

#### PRIME MINISTER

**Mr. Harold Culbert (Carleton—Charlotte):** Mr. Speaker, I have the honour of rising in the House today to extend congratulations to the right hon. Prime Minister on the outstanding accomplishments our government has made in its first six months.

With the beginning of the infrastructure program, youth programs and a revival of confidence within the small business sector, we are rebuilding a strong Canada once again. As a result there is a new era of confidence across the nation.

A lot of work has been done in the first six months, and there is a lot more work to do. The Prime Minister has returned leadership and dedication to the House and indeed to Canada.

We are on our way to a better tomorrow for all Canadians. I congratulate and thank the Prime Minister for his leadership role in making this possibility a reality.

\* \* \*

#### RWANDA

**Hon. Charles Caccia (Davenport):** Mr. Speaker, as we meet here today the massacre in Rwanda continues while waves of people cross the border into Tanzania's refugee camps.

It is impossible for the international community to remain unmoved at the sight of such human tragedy in Rwanda. The International Red Cross has just asked for United Nations intervention to secure and protect sources of water for the refugees. At the same time the Security Council needs to support the Secretary-General and provide the troops necessary to protect innocent civilians.

The Government of Canada could play a leading role in coming to the rescue of so many, relieving their misery and preventing further human suffering.

*S. O. 31*

(1410)

### HOCKEY

**Ms. Albina Guarnieri (Parliamentary Secretary to Minister of Canadian Heritage):** Mr. Speaker, yesterday Canada won the world hockey championships in Italy on the strength of a 2 to 1 victory over Finland.

It had been 33 years since Canada last won the gold medal in its national winter sport with the 1961 Trail Smoke Eaters.

[*Translation*]

Canada's team won the gold medal at the World Hockey Championships by winning 2 to 1 in the final game against Finland.

[*English*]

This completes an outstanding year for Canadian hockey with the Canadian team also winning the silver medal at the Olympics, while Canadian women and junior teams won gold medals at their respective world championships.

Our world championship teams should be congratulated for making Canada the first star in the world of hockey.

\* \* \*

[*Translation*]

### SOUTH AFRICA

**Mrs. Maud Debieu (Laval East):** Mr. Speaker, as a member of the Canadian mission to monitor the election in South Africa, I found that the first democratic election was generally free and fair.

It is my pleasure to inform the House that all members of the monitoring mission felt that the results reflected the will of the people of South Africa, and I would like to congratulate South Africans on an extraordinary achievement which they were able to bring to fruition in such a short time. The opening today of the first session of the new multiracial parliament marks the beginning of a long process of rebuilding and national reconciliation.

In spite of the poverty in the black townships and the lack of elementary infrastructures, I remain convinced that South Africans of all races will be able to meet the challenge of rebuilding and giving hope to the people.

\* \* \*

[*English*]

### HOCKEY

**Mr. Ed Harper (Simcoe Centre):** Mr. Speaker, it is with a great deal of pride that I rise today to pay tribute to a Canadian team for winning the world hockey championship. Thirty-three

years is a long time to wait. However the excitement of yesterday's win made it all worth while.

In addition to the players there are many others who worked behind the benches over the years to achieve this goal. To them and on behalf of all Canadians I say how grateful we are for their contribution.

This victory proves what can be achieved by working together. Let us hope that the example of team spirit displayed by these outstanding young men will be an inspiration to all who sit in the House.

Today Canadians in every province and territory are sharing in the honour this outstanding victory has brought to Canada. It is my hope that this win will be a reminder to all our citizens what can be accomplished in a united Canada.

\* \* \*

### THE ENVIRONMENT

**Mr. Paul Steckle (Huron—Bruce):** Mr. Speaker, Environment Canada and the Ontario ministry of the environment and energy announced on April 26 the expansion of the Ontario air quality advisory program.

This summer Ontarians will get advance notice of high smog levels for centres ranging from Barrie and Goderich in the south to North Bay and Sudbury in the north.

The federal-provincial program informs people when high levels of ground level ozone, commonly known as summer smog, are forecast. Smog is a powerful and irritating pollutant which can affect the health of people and vegetation and can corrode various materials.

Short term exposure to smog can irritate the nose and throat and can produce symptoms such as coughing and difficult or painful breathing. The advisory program is therefore very important for the well-being of all citizens.

Smog advisories are issued the same way as weather forecasts through the media, Environment Canada, weather offices and weather radio. They focus on pollution prevention and recommend individual action to spare the air such as using public transit or car pooling and using fewer chemicals and solvents.

Ground level ozone is a serious problem in Canada. The federal government is taking serious measures to control it.

\* \* \*

### HOCKEY

**Mr. Nelson Riis (Kamloops):** Mr. Speaker, to continue today's theme, we are world hockey champions once again. We are the best in the world. We are tops.

After 33 years Canada is number one when it comes to world hockey championships, having defeated Finland in a sudden death shootout.

*Oral Questions*

Hockey is our sport and at the world championships we proved it. As silver medalists at the Olympics after a shootout we won the world junior crown in the Czech Republic and the women's world at Lake Placid, New York.

Playing and watching hockey is a Canadian cultural pastime. Who watching the Canadian flag being raised at the world hockey championships and watching our players belting out "O Canada" did not have tears in their eyes?

Names like Robitaille, Ranford, Sakic, Blake, Sydor, Thomas, Emerson, Sanderson, Brind'Amour and others will be remembered for once again placing hockey on the world hockey map.

The players said they were proud to represent Canada and we are proud of them. I thank the players for bringing the gold medal home where there is pride in hockey and where the gold medal belongs.

\* \* \*

(1415)

[Translation]

#### HUMAN RIGHTS

**Mrs. Eleni Bakopanos (Saint-Denis):** Mr. Speaker, I would like to draw the attention of all members of this House to the human rights abuses suffered regularly by the Greek minority of southern Albania.

[English]

The persecution and oppressive policies of the past still continue despite the new government in Albania. Leaders of the Greek minority continue to be harassed, intimidated and charged unjustly. Freedom of religion, right to security of the person and the freedom of movement are effectively being denied to them.

I call on the foreign minister to conduct an inquiry of the human rights climate in Albania with particular focus on the status of the ethnic Greek minority. This inquiry should be viewed as a preventive measure against further destabilization in the Balkans.

[Translation]

Canada has always favoured peaceful and diplomatic solutions to resolve international conflicts. This government has an opportunity to play a major role by encouraging Albania to meet its international commitments and obligations.

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### ORAL QUESTION PERIOD

[Translation]

#### UNEMPLOYMENT

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, my question is for the Prime Minister. Last Friday,

Statistics Canada reported that the national unemployment rate rose to 11 per cent in April, while the rate in Quebec increased from 11.7 per cent to 12.6 per cent. According to this latest report, 65,000 more people have joined the ranks of the unemployed. These figures which are, to say the least, disconcerting, contradict the optimistic news that we have been hearing from the Prime Minister for the past month about lower unemployment and job creation.

Will the Prime Minister acknowledge that six months into his mandate, the unemployment rate continues to increase and his government has reneged on its promises, given that 65,000 more people have joined the 1.5 million who are already out of work?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, since our government was elected, unemployment has not decreased as much as we would have liked. Just last month the situation had markedly improved, statistically speaking, but it has now changed. According to the reports, 60,000 people who had all but given up looking for work re-entered the job market.

These were not people who had lost their jobs, but rather people who started looking again, believing they could find employment. It is a positive sign when people regain some confidence and get back into the labour force. We will continue to do our best. Our policies reflect this government's priority, which is job creation.

**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, there is nothing encouraging about this response in that it does not reflect any willingness on the government's part to change the situation. The government seems to find these statistics positive, whereas the fact of the matter is—and these are not merely statistics but the reality of the situation—that if we compare the unemployment rate in November when this government came to power with the rate today, we see that there are 15,000 more people out of work.

On the other hand, the government's only initiative, the infrastructure program, is clearly inadequate in terms of creating lasting jobs. Instead of taking it out on the unemployed, is the Prime Minister prepared to commit this time to implementing a real job creation strategy for the high-tech sector based on concrete initiatives?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, 115,000 new jobs have been created in Canada since February. That is a fact. I have just explained to the Leader of the Opposition that some people who had likely given up looking for work quite some time ago had re-entered the job market. This is a positive sign that the job situation is rebounding. This morning's *Toronto Star* reported that the number of people on welfare in Toronto had declined considerably, while a significant number of persons had found jobs.

This is an indication that our strategy, which is to focus on jobs, is working. There are those in Canada who believe that the economy is recovering. Economic indicators nationwide show that the growth rate will be greater than that forecast by the Minister of Finance. We must therefore stay the course set out in the budget.

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**Hon. Lucien Bouchard (Leader of the Opposition):** Mr. Speaker, the Prime Minister would have us believe that economic indicators are positive. He claims it is a positive sign that people are returning to the job market, that they are regaining some confidence.

However, there are those who are able to work and cannot find a job. They are called the unemployed, and their numbers are increasing because of the policies of this government.

(1420)

How can the Prime Minister, who says he is concerned, justify his government's decision to renege on its red book commitment to put forward a strategy for converting defence industries from military to civilian purposes when it is a known fact that this is the only strategy that would give dignity and hope back to people, as the Prime Minister said during the election campaign?

*[English]*

**Right Hon. Jean Chrétien (Prime Minister):** This policy of helping some of the defence industry to work in new fields has been a policy of this government. We are looking at all the proposals. When there is a good one, we are happy to help.

I would point out to the Leader of the Opposition that a lot of housing units were created last month and that the confidence of the people of Canada has increased by 13 per cent. It is a sign that we are on the right track. This development is not as fast as everyone in this House would like to see, but everybody recognizes that for 1994 Canada will outperform virtually every nation of the western world.

\* \* \*

*[Translation]***CONVERSION OF DEFENCE INDUSTRIES**

**Mr. Réal Ménard (Hochelaga—Maisonneuve):** Mr. Speaker, last Saturday, the daily *Le Devoir* was reporting that Bell Helicopter had decided not to go ahead with its \$40 million investment plan to develop a new helicopter. You probably realize that this decision follows the about-turn of the federal government which now reneges on its commitment to set up a conversion program for defence industries.

Does the Prime Minister realize that the cancellation of this expansion program at Bell Helicopter, which would have created 100 new jobs, is the direct result of the decision of his government not to participate in conversion activities through DIPP? Is the Prime Minister aware of the catastrophic consequences of that decision?

*[English]*

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry):** I would like to say to the hon. member, through you, Mr. Speaker, that even though the province of Quebec has given partial approval on the Bell Helicopter project there has not been a final and formal position taken by the board of Bell Helicopter right now. There will be no decision forthcoming until we hear that formal presentation.

*[Translation]*

**Mr. Réal Ménard (Hochelaga—Maisonneuve):** Mr. Speaker, does the minister not recognize that the decision not to proceed with a conversion strategy for defence industries will, in effect, threaten and jeopardize the activities in this important industrial sector which has already lost 10,000 jobs in Quebec since 1988? Will the Prime Minister tell the Minister of Industry to review his policy while it is still possible?

*[English]*

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry):** Mr. Speaker, I again repeat to the hon. member that we did discuss this issue in debate last week and in fact we do have a strategy.

Mind you, because of the very tight fiscal framework that we are involved with here it is not the old strategy where we just sort of write cheques. Right now we are using very creative approaches. We are giving advice and counsel and marketing assistance. In fact many companies under the previous DIPP program are now converting with assistance and guidance in new marketing techniques. There are many success stories. That will be the way that we will approach it.

\* \* \*

**JUSTICE**

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

The Prime Minister will know that on the weekend thousands of Albertans held a massive Mother's Day rally to draw attention to deficiencies in our criminal justice system.

The Prime Minister may remember being in this House on October 7, 1971 when his colleague, Jean-Pierre Goyer, the Liberal Solicitor General of the day, uttered these infamous words, and I quote: "We have decided from now on to stress the rehabilitation of individuals rather than the protection of society".

**Some hon. members:** Shame.

**Mr. McClelland:** Is Canada a safer place today as a result of that Liberal government policy?

(1425)

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I watched with interest the reports of the rallies both in Calgary and in Edmonton on the weekend. Those rallies were attended by people who have genuine concerns that I respect. I read the reports of some of the things they were concerned about, including the Young Offenders Act.

As I have said to the House before, within weeks I am going to have a bill before this House to make changes to the Young Offenders Act that I think will fulfil commitments we made during the campaign and that I think will improve the statute.

In so far as the safety of Canada is concerned we ran for election on a platform that I think is a balanced one which was intended very much to secure the safety of our communities across the country, in Alberta and everywhere else in this country.

**Mr. Benoit:** Do you agree with the '71 change?

**Mr. Rock:** In terms of the '71 change, I do not think that statement can fairly be applied to all legislation that has been through this House over the last 23 years.

I think the answer to achieve safer communities in this country is to follow through on our election commitments which we intend to do, a balance between making the laws more effective and coming to grips with the root causes of crime and that is exactly what we intend to do.

**Mr. Ian McClelland (Edmonton Southwest):** Mr. Speaker, what we are endeavouring to try to do is find out when our government policy fell off the rails and we started to put the rights of the criminal ahead of the rights of the victim. When was that particular moment?

Today, 23 years after that infamous decision, what comes first to this Liberal government? I again ask the Prime Minister, is it the protection of society or the rehabilitation of individuals?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada):** Mr. Speaker, the Young Offenders Act contains in its statement of principles the primacy of the protection of society as an objective of that act.

We in government believe that the protection of society is best achieved by a combination of laws that are effective and effectively enforced and social programs and government policies that are intended to get at not just harsher penalties and longer jail terms but the underlying causes of crime in society. Those are the objectives of this government in its mandate.

**Mr. Ian McClelland (Edmonton Southwest):** Mr. Speaker, again to the Prime Minister. Across this nation from one coast to the other Canadians are sick and tired of this molycoddling of criminals at the expense of law-abiding citizens through this Cappuccino Liberalism.

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On October 7, 1971 the Government of Canada approached a fork in the road and took the wrong turn. The government chose to stress the rights of the criminal rather than the rights of the victim.

My question for the Prime Minister is this. What specific steps will the government take to ensure that the rights of victims are paramount to the rights of criminals? What specific steps?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada):** Mr. Speaker, let me make it clear, if I have not already, that I reject absolutely the characterization the hon. member has given to the policies of this government about preferring the rights of criminals to the rights of victims.

This government is not interested in that kind of rhetorical exchange. The fact is we have an agenda of proposals in our platform which we are going to follow through with legislation in this House that is intended to achieve both an improved justice system and legitimate efforts toward crime prevention.

I do not think it advances the discussion to characterize a statement from 1971 as what has been going on in the justice system in the last 23 years. The fact is we have made our agenda for legislation clear and we intend to follow through on it.

\* \* \*

[Translation]

### DRUG PATENTS

**Mr. Gilles Duceppe (Laurier—Sainte-Marie):** Mr. Speaker, my question is for the Prime Minister. When they were in opposition, Liberal members were dead set against Bill C-91, an act regarding drug patent protection. As a matter of fact, they all voted against it, except for the Minister of Finance, who was then the member for LaSalle-Émard.

The Prime Minister said recently that he would not reopen this act. However, there is considerable pressure within his party to review Bill C-91 before 1997, and to give less protection to patent drugs.

Can the Prime Minister confirm that, in spite of the intense pressure within his party, his government will not review Bill C-91 before February 1997, as planned?

(1430)

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, I said clearly that we intend to abide by the legislation which was passed, but we must do our job, and make sure that the companies that promised to invest are doing so and, secondly, that they are honouring their commitment not to increase drug prices. It is also our duty to check that they are discharging the obligations they have towards the government.

I must say that I am very happy to see that the member is concerned about the stability of industries in Quebec because we too want stability in this country. If he wants to be of assistance,



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he should stop talking about separating, that would help Canadian legislation stay stable.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie):** I have a supplementary for the Prime Minister who would maintain greater stability if he gave concrete answers to concrete questions.

I will ask him a concrete question. Does the Prime Minister recognize that, according to the Patented Medicine Prices Review Board, since Bill C-91 was enacted, the Canadian pharmaceutical industry has invested nearly 10 per cent of its revenues in R & D and that drug prices have more or less followed the consumer price index since 1987?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, I said in this House that if the industry upholds its commitments, it can sleep soundly.

\* \* \*

[English]

**NATIONAL PAROLE BOARD**

**Mr. Paul E. Forseth (New Westminster—Burnaby):** Mr. Speaker, my question is for the Solicitor General.

Last Friday the Solicitor General accepted the resignation of Mr. Dagenais as chairman of the National Parole Board. The Solicitor General said that the board needs a new direction, a direction that would choose its members based on confidence, merit and wide consultation.

My question is on the topic of consultation. Will the Solicitor General agree to allow the standing committee on justice to review the nominee for chairman before any final appointment is made?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada):** Mr. Speaker, we will be advertising the position in the *Canada Gazette*. The applications will be considered carefully on the basis of merit and competence. We will certainly be consulting widely before any final decision is taken.

I will certainly take the hon. member's suggestion under consideration. I thank him for making it.

**Mr. Paul E. Forseth (New Westminster—Burnaby):** Mr. Speaker, I applaud the minister's willingness to open up the process. As the minister knows, Standing Order 110 provides for any nominee to be scrutinized.

From this point onward will the minister forward all nominations to the National Parole Board to the standing committee on justice for review before any final decision is made?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada):** Mr. speaker, the hon. member has made an interesting suggestion. I have to point out that the final decision under the law is in the hands of the cabinet, which unlike the committee, has to be accountable to the Canadian public for its decisions.

\* \* \*

[Translation]

**TAXATION OF GROCERIES**

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

On Monday, May 2, speaking of the GST, the Prime Minister stated in this place, and I quote: "We hate it and we will kill it".

In a report tabled in this House in November 1989, the Liberals, who were in opposition at the time, wrote, and I quote: "The Liberal members of the Finance Committee cannot tolerate the idea that groceries would be taxed." Furthermore, in the same report, the Liberals denounced all forms of hidden taxes.

Now that he is in government, can the Minister of Finance finally tell us if he intends to abide by the stands his own party had taken when in opposition and show some consistency by refusing to allow any tax, whether hidden or not, to be applied to food?

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** Mr. Speaker, as the hon. member knows full well, during the election campaign, we said the whole issue of the GST would be referred to the Finance Committee, which was done, and the committee is now preparing its report.

**Mr. Pierre Brien (Témiscamingue):** Mr. Speaker, seeing that the reasons supporting the Liberal Party's position in 1989 are still valid, does the Minister of Finance's failure to answer the question mean that he has changed his mind and wants to replace the GST with a hidden tax that would also apply to food?

(1435)

**Hon. Paul Martin (Minister of Finance and Minister responsible for the Federal Office of Regional Development—Quebec):** What my answer means, Mr. Speaker, is that we intend to make good on our promise. We have kept our word by referring the issue to the finance committee on which opposition members sit. As you know, the committee will be presenting its report before long.

[English]

### NATIONAL PAROLE BOARD

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

I too had the opportunity to attend the rallies that were held in Calgary and Edmonton this weekend. There were thousands of voices crying out: "If you do the crime, do the time". I know that does not make sense to the group across the way but it does represent the voice of millions of Canadians.

What I would like to know is will the Solicitor General declare a moratorium on paroling violent offenders until Parliament completes its review of this crucial issue?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada):** Mr. Speaker, I reviewed the legislation and I do not find anything in it which gives the Solicitor General the authority to declare a moratorium on any kind of work done by the parole board in deciding who may be entitled to a release.

In fact, I ask the hon. member to consider whether he and his party really want the members of the parole board in their decisions to be subject to political direction or interference. I do not think they would really want that on reflection. I do not think the House would want that. I do not think the public would want that. In any event, the law does not give the Solicitor General permission to give the kind of order that he is seeking.

I also want to add that the legislation talks about the protection of the public as a principle the parole board has to follow, and protection of the public is certainly the priority of the government.

**Mr. Myron Thompson (Wild Rose):** Mr. Speaker, the first comment with regard to the fact we cannot do anything is a cop out. Second, I am really pleased to hear the Solicitor General say the safety of the people is of utmost importance.

Therefore I urge the Solicitor General to consider this request carefully. With the parole moratorium for violent offenders future tragedies will more than likely be prevented. If a moratorium is not introduced is the Solicitor General prepared to be held accountable by the people of Canada for needless tragedies that will certainly occur?

**Hon. Herb Gray (Leader of the Government in the House of Commons and Solicitor General of Canada):** Mr. Speaker, I have already pointed out that the legislation adopted by Parliament does not give the Solicitor General the authority to order such a moratorium. It is not a matter of a cop out. It is a matter of stating what the law says.

However, I have said in the House and outside that it is the intention of the government to present legislation which will

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update and improve the parole and correction system. I look forward to the support of the hon. member and his party in expediting that legislation when it comes before the House.

\* \* \*

[Translation]

### FISHERIES

**Mrs. Francine Lalonde (Mercier):** Mr. Speaker, my question is for the Minister of Human Resources Development. Many times in this House, the Minister of Human Resources Development has championed consultation on the fisheries industry adjustment strategy, especially on the issue of individual contracts. However, on Saturday, his press secretary confirmed that the government would no longer require individual contracts:

[English]

There is really no need for a separate contract.

[Translation]

My question is this: Did the minister not consult with the unions on the obligation to sign individual contracts, which in the words of the union president added unnecessary stress and pressure to the people and that as a result, he had to retreat?

[English]

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, the fact of the matter is that the hon. member is simply trying to stir a pot in which there is no tempest. Why try to create a problem when one does not exist?

We are introducing a program of \$1.9 billion to assist 30,000 people to get a chance to go back to work and to find new careers.

(1440)

Each of those individuals, as part of the process, will sign an agreement that will commit the Government of Canada to provide all available resources to help them to be retrained, to start their own businesses, to develop projects in the environment, to enhance the fisheries. In return, each of those individuals commence becoming involved, being an active participant.

That was a discussion that we started last February with the provinces. That is a discussion that we had with the unions. That is the same discussion we had on Friday when an official from my office met with members of the union and they agreed to the process.

I do not understand for the life of me why the hon. member is getting so exercised about something that is clearly agreed to by all the parties and that will be to the benefit of all those in the fishing industry of Quebec and the Atlantic provinces.

*Oral Questions**[Translation]*

**Mrs. Francine Lalonde (Mercier):** Mr. Speaker, the *Gazette* article to which I referred says that the department dropped the requirement for individual contracts.

Does the minister admit that his about-face shows that until the provinces and workers' representatives are really involved in the decision-making process, he cannot go on claiming that the social contract is really being renewed?

*[English]*

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification):** Mr. Speaker, unlike the hon. member I do not rely on an article in the newspaper for my information. I deal directly with the people involved.

As a result we get the information right. The right information is, as I have said previously, that every individual in the fishing industry in all the provinces involved will be signing an agreement as part of the overall plan in which they agree to put their own time and energy to helping themselves develop an active involvement in the labour market.

In return we provide the resources to help them make those choices. It is an opportunity of mutual responsibility. It is an opportunity to develop a way that individuals can work together with government, with unions and with business in a collective, co-operative fashion.

Frankly, I do not know the point of the member's question. When something is working so well, why is she trying to downgrade it and undermine it?

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**RWANDA**

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

With the tragic communal strife in Rwanda now transcending national boundaries, will the minister ask the United Nations Secretary-General Boutros-Ghali to request the security council for emergency action under chapter six of the United Nations charter?

*[Translation]*

**Hon. André Ouellet (Minister of Foreign Affairs):** Mr. Speaker, I had the opportunity to discuss this issue today with the US ambassador to the UN, Madeleine Albright, who was passing through Ottawa. I reminded her that Canada finds it regrettable that the UN security council did not decide to send a bigger contingent than that currently in Rwanda to assist General Dallaire, who is trying to get the parties to agree to a ceasefire.

I remind the hon. member that on Friday Canada asked the UN Human Rights Commission to look into the situation in Rwanda with the utmost urgency and make a series of recommendations in this regard. Finally, I remind him that Canada made available to the United Nations and humanitarian organizations two military planes now in Nairobi that can at any time bring food and medicine to the afflicted people of Kigali and the surrounding area.

\* \* \*

*[English]***GUN CONTROL**

**Ms. Val Meredith (Surrey—White Rock—South Langley):** Mr. Speaker, my question is for the Minister of Justice.

Yesterday the Ontario Association of Police Services Board said the one-year minimum sentence for using a firearm during the commission of an offence was no deterrent, describing the penalty as laughable.

Is the minister prepared to increase the minimum penalty under section 85 of the Criminal Code or will he continue to deal with the illegal use of firearms by going after the legitimate gun owners who have never broken the law in their lives?

(1445)

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I have said on many occasions that in my view the answer must be in both controlling more strictly those guns that are purchased in Canada and getting at the problem of weapons in the hands of criminals.

In fact, we have under consideration now in the Department of Justice the question of whether the penalty under section 85(1) of the Criminal Code should be increased so that it is a greater deterrent and more effective.

I have written to my counterparts in the provinces and territories. I have asked them to urge the crown attorneys in the courtrooms where these charges are prosecuted to ensure they are pressed with vigour, that they result in the appropriate sentences, and that the charges are not dropped as part of plea bargains or any such arrangements.

**Ms. Val Meredith (Surrey—White Rock—South Langley):** Mr. Speaker, I am pleased to hear that the minister appreciates the problem. If he is going in this direction and if they are looking at increasing the sentences for the illegal use of guns in the commission of crimes, when does the minister plan on introducing legislation that would provide a real deterrent? When can we expect it to be introduced into this House?

**Hon. Allan Rock (Minister of Justice and Attorney General of Canada):** Mr. Speaker, I should think probably in the autumn of this year, but my letter to the attorneys general of the provinces should be in their hands shortly.

*Oral Questions*

Not only is this a question of looking at the prospect of increasing the penalty but as I said, it is also a question of vigorously enforcing the law that is on the books right now. That is an important part of the equation as well.

\* \* \*

[Translation]

**TRANSPORT**

**Mr. Michel Guimond (Beauport—Montmorency—Orléans):** Mr. Speaker, my question is for the Prime Minister. Last Friday, the Minister of Transport said he delayed his decision concerning MIL Davie because he wanted to act in the best interest of Magdalen islanders and he needed MIL Davie's business plan. Yet, Magdalen islanders did say they wanted a new ferry and the federal government has had MIL Davie's business plan for a few weeks.

Now that MIL Davie has met all the conditions set by the federal government, does the Prime Minister intend to act and award the contract for building the ferry to MIL Davie, rather than consider buying a used ship as the daily *Le Soleil* reported this morning?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, I am convinced that when the hon. member reads last Friday's *Hansard*, he will realize that I never said that the Department of Transport delayed its decision because it was waiting for MIL Davie's business plan.

Having said that, however, I must point out that two very important things are involved here: we must provide an adequate and safe service between Prince Edward Island and the Magdalen Islands, and we must solve the problems that MIL Davie will face at the end of the current contract for the frigates. We are very aware of what is at stake in both cases, and I want to assure the hon. member that the business plan submitted is being scrutinized by the appropriate departments and that we, in the Department of Transport, have always been prepared to participate in a solution which would meet both needs, as long as it is fiscally sound.

**Mr. Michel Guimond (Beauport—Montmorency—Orléans):** Mr. Speaker, I have a supplementary question for the Prime Minister. Will the Prime Minister recognize, as his chief of staff who ran unsuccessfully for the Liberals in Quebec City did, that the sustainable recovery of MIL Davie depends on the development and construction of the multipurpose smart ship? What does his government intend to do about this high-technology project which would be suitable for exportation?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, as I said, the recovery of MIL Davie depends on a lot of things. Last week, when I met the Quebec Minister of Industry, along with my colleague, the federal Minister of Industry, it was

obvious that the situation would be very difficult if the survival of MIL Davie were to depend solely on the construction of a ferry and maybe a smart ship sometime in the future. That is one of the reasons why representatives of both the Quebec and the federal governments are doing their best to find a logical and responsible solution which would help to protect jobs at MIL Davie and provide a ferry service. This is a very complex issue.

(1450)

The matter is under study, but I want the hon. member to understand that no final decision has been made yet about the financial contribution of both levels of government, the ferry operator, and the contracts needed to make the smart ship construction project a viable initiative.

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[English]

**CHALLENGER JETS**

**Miss Deborah Grey (Beaver River):** Mr. Speaker, my question is for the Prime Minister.

Last week the Minister of National Defence told Michel Cormier, on the public affairs program "Le Point": "Some ministers are now renting private planes at huge costs to the departments rather than using the government Challenger jets". The minister went on to admit that this practice is not cost effective and is done simply for appearance.

Can the Prime Minister confirm that his ministers have chosen the most expensive option imaginable, that is, renting aircraft while still maintaining the Challenger jets simply to avoid political pressure?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, the hon. member cannot have it both ways. She claims that when a minister gets on board a government plane it costs \$20,000 an hour. She is sticking to that and we are listening to them. If it is costing that much money, why use it? We are looking into this issue to make sure the real costs will be known.

When the planes are not being used they still cost money. The pilots are still there. Reform Party members are so narrow minded on that and do not want to look at the facts. Now they are claiming because they are not objective they are causing the government to spend more money.

**Miss Deborah Grey (Beaver River):** Mr. Speaker, first of all let us make the Challenger jets for sale. Second, let us all use commercial airlines.

Since 1985 the government has spent \$11 million training 689 technicians to service the Challengers. At the same time national defence has contracted out \$12 million of maintenance to another firm. When Mr. Cormier added up all the costs of the Challenger program he confirmed the Auditor General's ass-

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ertion that the Challengers are almost three times more expensive than the Prime Minister cares to admit.

When will the Prime Minister stop fooling the Canadian people about the real costs of the Challenger jets? When will he accept the Auditor General's suggestion to drastically reduce the Challenger jet fleet?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, we are looking into this matter. There is a committee and the Auditor General. These planes are made in Canada and the government uses them. Canada is a vast country. Ministers have to move around the country if they want to do their jobs.

Because of the irresponsibility of Reform Party members they do not want to look at the real costs. Even when the plane is in the garage we pay for the pilot, we pay for the plane, for everything. When the plane is flying the only other cost is the fuel, but they say it is costing much more money. That is why we are not using them. We are looking into that. We will make sure this is managed better than it was with the previous administration.

However I hope this group of people will stop spreading lies because it is not costing—

**Some hon. members:** Oh, oh.

**Mr. Chrétien (Saint-Maurice):** They do not want to know the truth.

**The Speaker:** Order. I think I heard the right hon. Prime Minister withdraw. Is that correct?

[Translation]

**Mr. Chrétien (Saint-Maurice):** Mr. Speaker, I had nothing to add. I simply think that we have a problem and it is under review right now. We want to find a reasonable solution. We ask the Reform Party to be reasonable and not to be so sanctimonious.

**The Speaker:** I only wanted to make sure that the Right Hon. Prime Minister had withdrawn the word.

[English]

The right hon. Prime Minister withdrew the word.

**Mr. Chrétien (Saint-Maurice):** Mr. Speaker, I withdraw the word I used.

\* \* \*

(1455)

**WESTRAY COAL MINE**

**Ms. Roseanne Skoke (Central Nova):** Mr. Speaker, my question is for the Minister of Industry.

Exactly two years ago today, in my riding of Central Nova 26 coal miners were killed in the Westray coal mine explosion. Can the minister advise this honourable House as to what his

position is regarding the recovery of the remains of the deceased coal miners still entombed in the mine?

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry):** Mr. Speaker, all Canadians remember with sorrow the tragic accident that happened in the Westray mine some two years ago. As the member knows, many volunteers risked their lives, albeit unsuccessfully, to try and rescue the lives and later on the bodies of the miners.

Right now the Government of Canada in conjunction with the Government of Nova Scotia has hired an expert who is working on this project. Very soon the results of his study in terms of not only the remaining deposits in Westray but also the access to the remaining bodies will be made known to us.

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[Translation]

**INDIAN AFFAIRS**

**Mr. Claude Bachand (Saint-Jean):** Mr. Speaker, my question is for the Prime Minister. We learned in April that the federal government had set up an interdepartmental committee to study the Mohawk issue, a committee made up of the Minister of Indian Affairs and four of his Cabinet colleagues, namely the Minister of Justice, the Minister of National Revenue, the Minister of Industry and the Solicitor General.

Can the Prime Minister confirm the existence of such a committee and tell us the exact nature of its mandate and activities?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, there is no such official committee. Quite often, our ministers who work together meet to discuss certain problems, but we have significantly reduced the number of Cabinet committees in order to increase efficiency. A committee such as the one to which the hon. member referred does not officially exist.

However, meetings do take place between ministers who share common interests and I am happy to see that several ministers are willing to work together to help us solve the Mohawk issue.

**Mr. Claude Bachand (Saint-Jean):** Mr. Speaker, I am surprised to learn that there is no such committee because the Minister of Indian Affairs said that there would be one. But, assuming there is such a committee, since we are dealing here with the Mohawk reserves issue, how can the Prime Minister justify the fact that no federal minister from Quebec was asked to sit on that committee or to take part in meetings to discuss matters under Quebec's jurisdiction?

**Right Hon. Jean Chrétien (Prime Minister):** Mr. Speaker, I said that there was no such committee, so why would ministers be invited to sit on a non-existent committee? Everybody is interested in this issue, including myself, who was Minister of

*Routine Proceedings*

Indian Affairs and Northern Development for a long time. I am following the situation very closely.

I would like to be able to find a solution that would please everybody. This is a difficult problem and ministers are working with the people concerned to find a solution that will hopefully have the support of all parties. However, there is no committee, and therefore I cannot be accused of not inviting somebody to sit on a non-existent committee.

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[English]

**ESQUIMALT AND NANAIMO RAILWAY**

**Mr. Bob Ringma (Nanaimo—Cowichan):** Mr. Speaker, my question is for the Minister of Transport.

Last week the Supreme Court of Canada upheld the government's appeal of the case involving the E and N Railway stating that the government had no constitutional obligation to run the line in perpetuity.

Can the minister advise the people of Vancouver Island if he now intends to follow through with the earlier Tory decision to scrap VIA passenger service on the E and N?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, my hon. colleague would know that the decision of the Supreme Court of Canada simply indicated there was not a constitutional obligation on the part of VIA to maintain that service. It did not relate to the continuation of the service; it simply stated there was no constitutional obligation.

The review of services on Vancouver Island, as is the case across the country, will depend on what VIA can achieve faced with its budget constraints and the reality of the level of service across the country for passengers wishing to use VIA services.

The answer to the question is that VIA in its good time will assess the viability of that line. Also, I am sure my hon. colleague knows that any abandonment of VIA service is subject to cabinet approval.

(1500)

**Mr. Bob Ringma (Nanaimo—Cowichan):** Mr. Speaker, I thank the minister for his answer but it is precisely that we on the west coast and Vancouver Island are trying to get at the facts here.

Unfortunately the minister's department has refused a personal request for a copy of the contract between the people of Canada and CP rail and is now stalling again on our access to information request for this contract which would give us the information we need.

Can the minister first explain why the people of Canada are being denied the right to see how their money is spent? Second, will he promise to enter into negotiations to turn the line over to local interests?

**Hon. Douglas Young (Minister of Transport):** Mr. Speaker, it is going to be very important as we continue with this process of dealing with rail lines, both freight and passenger across the country, that people such as my hon. colleague understand what has to happen.

First of all with respect to this particular situation, we will have to look and see why there has been any refusal to provide information that should be available to Canadians. I undertake to look into that.

As far as the decision on whether VIA should continue to provide services on Vancouver Island, that is a decision that will be based on business principles, whether there is sufficient volume to be able to do it and to ensure that there are alternate means of travel as is the case when we deal with it right across the country.

I want to point out to my hon. colleague that there are many parts of Canada already that do not enjoy VIA passenger services for all kinds of reasons, usually because those particular services were found to be too much of a drain on the Canadian taxpayers who, I have been under the impression since I came into this place for this session of Parliament, were the major concern of the members of the Reform Party, to try to treat the taxpayers as fairly as we can.

\* \* \*

**PRESENCE IN GALLERY**

**The Speaker:** I wish to draw to the attention of the House the presence in the gallery of the hon. Hou Jie, Minister of Construction for the People's Republic of China.

**Some hon. members:** Hear, hear.

**ROUTINE PROCEEDINGS**

[English]

**CANADA STUDENT FINANCIAL ASSISTANCE ACT**

**Hon. Lloyd Axworthy (Minister of Human Resources Development and Minister of Western Economic Diversification)** moved for leave to introduce Bill C-28, an act respecting the making of loans and provision of other forms of financial assistance to students, to amend and provide for the repeal of the Canada Student Loans Act, and to amend one other act in consequence thereof.

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

*Government Orders***PETITIONS****KILLER CARDS**

**Mrs. Beryl Gaffney (Nepean):** Mr. Speaker, I am pleased to stand in the House today in support of the efforts of Debbie Mahaffy in her quest to have the importation of killer cards seized at the Canada-U.S. border to stop their distribution in Canada.

(1505)

I applaud the efforts of the Minister of Justice for tabling his draft legislation in the House of Commons on April 30, 1994 dealing with serial killer cards and board games.

Therefore, the undersigned, your petitioners, humbly pray and call upon Parliament to amend the laws of Canada to prohibit the importation, distribution, sale and manufacture of killer cards in law and to advise producers of killer cards that their products if destined for Canada will be seized and destroyed.

**ETHANOL**

**Mr. Paul Steckle (Huron—Bruce):** Mr. Speaker, I am pleased to present this afternoon before the House, under Standing Order 36(6), a petition calling on the government to maintain the present exemption on the excise portion of ethanol for a decade.

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**QUESTIONS ON THE ORDER PAPER**

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

**The Deputy Speaker:** Shall all questions stand?

**Some hon. members:** Agreed.

**GOVERNMENT ORDERS**

[*Translation*]

**PEARSON INTERNATIONAL AIRPORT AGREEMENTS ACT**

The House resumed consideration of the motion that Bill C-22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport, be read the second time and referred to a committee; and of the amendment.

**The Deputy Speaker:** Before the hon. member for Frontenac resumes his intervention, I want to tell him that he has four minutes left.

**Mr. Jean-Guy Chrétién (Frontenac):** Mr. Speaker, I would not want to sound like a discontented child, but it seems to me

that I had more than four minutes left. I hope you will show some indulgence if I ever need a few seconds more.

As I was saying earlier, a government is responsible to its electors first and foremost. Since we are elected by Canadians, we are responsible to them. If, in addition, we were to be bound hand and foot by the multinational corporations that are financing political parties, we would not have much room to maneuver, especially when the people's interests do not necessarily go hand in hand with those of the corporations.

If financial considerations did not motivate those who govern, people would listen with greater attention to explanations of nebulous situations, as is the case here. Since they know perfectly well that corporations contribute to the electoral coffers of political parties, people put their fingers in their ears and do not want to hear anything. And rightly so, Mr. Speaker, rightly so.

It is obvious that situations like that would not happen if people financing political parties were ordinary people, the electors, not the corporations investing where it is profitable for them.

At this point, I would like to talk to you about the executive of the Bloc Québécois for my riding, under the direction of Éric Labonté, Vincent Carrier, Raynald Paré and myself. We have visited or called most of our 2,049 members. Those are the people financing the Bloc Québécois in the riding of Frontenac. As the member for Frontenac, I am accountable to my constituents who with their donation of \$5, \$10, \$20 and, exceptionally, \$100, will help us collect between \$15,000 and \$20,000 for the Bloc Québécois. I can assure you, Mr. Speaker, that as the member for Frontenac, I owe absolutely nothing to the multinationals or to our big corporations. I am proud of my constituents, and I am proud of the members of my party who help us finance our election expenses.

During the last election campaign, all Bloc Québécois members in this House accepted contributions only from registered voters, not from interest groups or companies.

(1510)

We cannot blame the companies, because their purpose is to make a profit. However, we have a different situation when we look at the Liberal government and the groups to whom the political parties are accountable which are no longer the average citizen but the big multinationals.

Since this government came to power, it has blamed the Conservatives for every peccadillo that might hurt the party. Now it has a chance to shed some light on a number of questionable procedures and to remedy the situation. Why has the Liberal government opposite, in the six months it has been in power, not done that?

Is there more than meets the eye? Is it afraid of a commission of inquiry that would find out the real reasons behind the privatization of Pearson airport, the only airport that was profitable and self-financing? Why did it not privatize the other airports?

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No, they privatized the only one that was making money. As the farmers in my riding would say, they privatized the best milk cow. It was easy, you see. They sold the best milk cow to friends of the government. So they stuffed their pockets at the expense of the taxpayer.

On the weekend I went to a meeting. There were 47 people there. The meeting was organized by the regional committee for the Thetford Mines region and was chaired by Nicole Jacques. Monsignor Couture, the archbishop of the diocese of Quebec City, was there, together with local authorities. These included the industrial commissioner, several mayors and the presidents of various interest groups in the riding of Frontenac.

The purpose of the meeting was to discuss how to get Quebec out of the poverty cycle, and Saturday morning, several speakers blamed poor management. And we heard the same comment this afternoon.

There was a question on the trips taken by ministers on government jets. My constituents wonder how the government can raise taxes and try to cut assistance to people who, unfortunately, have to go on welfare or on employment insurance, while the hon. member for Hull—Aylmer, spent nearly \$170,000 of taxpayers money just so he could make a short ten-minute speech on good management in the public sector.

People in my riding who live on the poverty line have trouble understanding this kind of poor management. It does not make sense that taxpayers have to pay for the government's mistakes. When the investors signed the contract, the Conservatives were on their way out. The investors were taking a calculated risk.

Of course, there were Liberals as well as Conservatives among these investors. As you know, when there a buck to be made, people often set aside their political allegiance and, just to make sure they are not on the wrong side, they give to both. They gave as much to the Liberals as they did to the Conservatives.

That way, they were guaranteed a place at the public trough. And you know perfectly well that when an investor gives \$1 to a political party, it is in the hope of getting back not \$5, but \$100, \$200 or even \$1,000. It always sounds strange to me to hear about the Minister of Justice attending a \$1,000 a plate dinner for 23 guests. Those people do not really pay \$1,000. Besides, none of them earn \$25,000 or \$30,000.

(1515)

My time is already up, Mr. Speaker. I want to thank you for giving me a few minutes more since I had been interrupted before Question Period.

**Mr. Michel Gauthier (Roberval):** Mr. Speaker, my colleagues are saying: "We are in for it". Indeed, because it is an amazing not to say an ugly issue.

This is a perfect example of an issue in which government officials involved have acted in such a way that doubt remains and will do so forever unless a public inquiry takes place. Doubt as to the way this whole issue was dealt with. Doubt as to the dealings which may have occurred behind the curtains, behind the scenes, under the tables, in places where, unfortunately, the general public, our constituents, those who elect us are not allowed.

We would like to be able to speak about government integrity, about transparency, honesty, justice, fairness of commercial transactions well conducted, about people who justly and rightly claim a profit, a transaction. Unfortunately, this transaction was, I dare say, thrown together in the twilight, in places where one does not know exactly who had what to gain. One does not exactly know what was the goal pursued by the previous government, even less so by the present government.

What is astonishing with that deal—and I will not repeat the long list of friends of the Conservative government that has unfortunately grown longer with the list of friends of the Liberal government—is that the Prime Minister had announced firmly and clearly during the election campaign his intention to cancel that contract because, as he put it, it had been reached in an incorrect fashion and was benefitting friends of the government of the time. What a noble way to campaign by denouncing a government that unfortunately had its hands partly tied with regard to the signature of a contract as important as the privatization contract of Pearson Airport terminals 1 and 2.

Despite the fact that the Prime Minister had virtuously announced during the election campaign his intention to review the whole deal, slowly and gradually friends of this government, people in the Liberal financial community, friends of the Prime Minister, friends of former colleagues, acquaintances, "sponsors" are in direct contact not only with the Prime Minister but also with ministers of this government. This issue, which was dominated by Conservative "sponsors" who finance the Conservative Party, is now in the hands of Liberal "sponsors".

(1520)

Mr. Speaker, the reasons the Prime Minister gave at one point for saying that the whole issue of Pearson Airport would be reviewed and the privatization of the airport would be cancelled because what had happened in this whole deal was ugly are still valid today. Nevertheless,—

**Mr. Robichaud:** Yes, that is what we are doing.

**Mr. Gauthier (Roberval):** The member from New Brunswick says: "Yes, that is what we are doing."

**Mr. Robichaud:** That is what we are doing.



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**Mr. Gauthier (Roberval):** Yes. That is what they are doing, Mr. Speaker, except that a small, a very small clause in this bill gives the minister in charge all discretionary powers to pay financial compensation according to his own evaluation of the harm done to the one losing the contract.

They propose a bill seemingly with the best of intentions, but if by chance you examine that bill further, if you analyze the situation thoroughly, you discover some hidden truths that are not very edifying.

Friends of the Liberals, Liberal lobbyists, friends of the people in place have taken over that issue and now, beyond political parties, one can see in the Canadian financial world that some politically diverging financial interests are coincidentally linked to the same group of companies, the same group of persons.

Now the government is asking us to terminate the contract for Pearson Airport and we want to be part of that, but the way this cancellation is being done is totally unacceptable. Here we have an unhopèd-for opportunity to pass a law on lobbyists, to clarify the relationship that should exist between the government and professional lobbyists who intervene in that kind of case, but the Prime Minister will not seize it. He had promised a law on that question, he had promised to clarify the lobbyist issue, but all of the sudden it is out of the question.

The second thing is that the ministers are giving themselves an unacceptable discretionary power, which will allow them to give, from time to time, compensation that they consider appropriate. We can see that in many different ways. The minister responsible will be able to decide who deserves compensation, how much and for what prejudice. This is a much too general discretionary power, when one considers that the compensation is going to go to people who are, I remind you, financing the activities of the party across the floor.

Can you imagine, Mr. Speaker, the kind of conflict of interest situation that minister is going to be in, considering that, for the survival of his party he must also raise money? He will have to negotiate on his own—that is without guidelines—and determine by himself the amount of compensation.

This is unacceptable. I still have a minute, Mr. Speaker. If it is true that these people are full of good intentions, why is the government steadfastly refusing a public inquiry on the circumstances surrounding the Pearson Airport deal? If its hands are clean, which I am willing to believe, Mr. Speaker, since I do not assume it is ill-intentioned, if it has good intentions and did not note enough irregularities or faults in that deal to warrant a bill cancelling the transaction, considering what it implies, if it is ready to give ministers the discretionary power to compensate those affected by the cancellation, if the question of the Pearson Airport is really that serious, there is only one question remain-

ing: Why does it object to a public inquiry which would shed light on the whole deal? The question begs an answer and it is up to the government to give it.

(1525)

**Mr. Bernard St-Laurent (Manicouagan):** Mr. Speaker, the Bloc Québécois refuses to support second reading of Bill C-22, an Act respecting certain agreements concerning the redevelopment and operation of Terminals 1 and 2 at Lester B. Pearson International Airport, in Toronto. The principle behind the bill is flawed, because it does not include whatever measures need to be taken to make the work done by lobbyists more transparent.

What we have to expose here is the questionable ways some of the political parties are financed. Except for the Bloc Québécois and the Parti Québécois in Quebec, all individuals and corporations can currently support political parties.

We, in the Bloc Québécois, are proud, because we are the only ones who can claim that all of our financial supporters are individuals. By relying on \$5, \$10, \$20 or sometimes higher donations, when we got lucky, we collected the money we needed to be elected to this House. You have to understand that it is not illegal to get financial support from big corporations and even mega-corporations, it is just dangerous. It is so dangerous in fact that, since April 26, this is all we have been dealing with, this contract for the privatization of the Pearson Airport in Toronto. This is a fine example of the secret power lobbyists have. Thanks to what? Mainly the financing of old political parties. As the old saying, which still holds true after all these years, goes: "Never bite the hand that feeds you".

That saying applies to all members of this House, including members of the Bloc. However, with a funding arrangement like the one our party has, we could never propose transactions such as the Pearson deal. Why? Because the hand that feeds us is not the hand of businesses seeking ever higher financial summits, fearing neither clouds nor turbulence. The hand that feeds us is that of people who work hard to earn their salary, of unemployed people who are constantly looking for jobs, of senior citizens who want to be sure that their old age pension will not be cut and also of people who stay at home to take care of their children.

The Toronto Pearson airport privatization project puts the government in what I would call a dangerous position. When I talk about political party financing, I relate that to Pearson Airport and also to the Moisie military base in my riding. Six years ago, in the riding I represent, we experienced a similar situation which caused quite a stir in this normally quiet area. Of course, it was on a smaller scale, but we can see that nothing has changed.

To give you a brief history of what happened then, I will take you back to 1985, when the government of the day had to close the military base in Moisie. That closure was very hard on the

local economy because it meant the loss of over 200 military jobs and of over 40 civilian jobs.

(1530)

The town of Moisie, a small community near Sept-Îles, with about 1,200 residents at the time, saw its budget cut by 30 per cent, which is enormous for a small community. That represented a loss of several millions of dollars for the regional economy.

In early 1986, the Department of Public Works called for tenders to dispose of the CFB Moisie as well as seven or eight other bases at the same time. So representatives of the town of Moisie and of Public Works Canada sat down together to set certain criteria. I will list a few of them that had priority, in the opinion of the town of Moisie.

Job creation was important for us. It was also important to make sure that the company was financially sound, since a military base is more or less like a small town. It has absolutely everything that one could find in any town: bowling alleys, swimming pools, streets, water and sewer systems, churches, schools, everything. So it takes a lot of money to buy it and a lot of money for maintenance. For us, it was important to have a local developer. And it was important that the project help offset a long-term loss of earnings for the regional economy.

In the winter of 1987, we finally got down to two developers who were bidding more or less the same amounts of money, but it was important for us that the spin-offs in the region be as interesting as possible. So, the town of Moisie was naturally in favour of a local developer, whereas the government was in favour of a developer from elsewhere, described by the office of the then Prime Minister, who happened to be the member of Parliament for the riding, as a good friend of the party. Therefore there was a small struggle about that.

Of course, the town of Moisie did not wield as much power as the office of the Prime Minister. In the spring of 1987, negotiations came to a standstill. In the summer of 1987, the good friend of the party was forced upon the town of Moisie. That developer promised 35 permanent jobs and 15 seasonal jobs. What is the situation today, six years later? No permanent jobs and no seasonal jobs. However, 50 houses were sold for a net profit of more than one million dollars.

When we go through the data to find out why, at the time, the Prime Minister's Office and the government insisted so much for that person to acquire the military base site, we realize that, during the 1984 election, the developer had provided to the party's fund \$1,500 directly and heaven knows how much indirectly. That is awful. That has to stop.

Quebec and Canada's taxpayers can no longer afford to favour to excess good friends of the party at the expense of regional economic development. With examples such as the Pearson contract in Toronto and the Moisie military base, it is easy to

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imagine how many such dubious transactions there must be, transactions which, instead of serving those who pay their taxes, shamefully favour those who, on the contrary, constantly try to avoid paying them.

Yes, the Pearson transaction must be denounced, but it is not enough for the government to pass a bill such as Bill C-22 to pretend that it is doing its job. Pontius Pilate also washed his hands of the matter. Mature and responsible people will see to it that a mechanism is put in place to ensure that the real leaders of the country are those who are democratically elected by the population, and not those who pull the strings of some elected officials that are too well placed.

The Bloc Québécois says no. We want a royal commission to get to the bottom of this obscure matter. The Canadian people have the right to know all about the hidden side of that affair and the role that lobbyists played and continue to play with the government.

**Mr. Benoît Sauvageau (Terrebonne):** Mr. Speaker, several questions remain unanswered regarding Bill C-22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport. The thorough study of this bill and the privatization agreement entered into at Pearson airport are very important to us, since it has become such a controversial matter.

(1535)

This bill contains blatant contradictions with the commitments made by the Liberals during the campaign. They seem to have forgotten their commitment about restoring the confidence of citizens in the political institutions, even though they wrote an entire chapter on the subject in the red book. We are confused by their attitude. Therefore, we believe it is relevant to remind them of the promise they made to Canadians during the last campaign, which is, and I quote: "A Liberal government will take a series of initiatives to restore confidence in the institutions of government". And further, they wrote, and I quote: "We will follow the basic principle that government decisions must be made on the merits of a case rather than according to the political influence of those making the case. We will take an approach of openness in decision making". To win public confidence, you need to take some concrete measures but unfortunately the population is still waiting.

Clause 10 of Bill C-22 gives the minister in charge the discretionary power to sign agreements in order to pay compensation pursuant to the legislation. Furthermore, we are told no compensation will be paid for paper profits that never materialize or for lobbying. How can the public be certain such compensation payments will be made according to the legislation and be entirely free of any favouritism? Just from looking at it, and without investigating any further, one can see that this case reeks of political manipulation; we are not the ones to say

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so, it is the opinion of the Nixon report author who had neither the resources nor the time to complete a comprehensive inquiry.

That is why we maintain that the only way to ensure transparency in this case is to form a royal commission of inquiry which would shed light on the whole issue. The Minister of Transport himself said, as quoted in *La Presse* of last November 29, that the federal government intended to form a royal commission of inquiry on the privatization of the Pearson airport. Unfortunately, the government did not follow up on that project which, need I remind you, would be essential to the demonstration of proper public funds management. What do Liberals want to hide? We cannot remain idle in front of such an attitude. Where is the promised transparency? What happened to the noble Liberal promise?

A royal commission of inquiry remains the only efficient way to bring things up to date in this case which has all the makings of a scandal. Illegal acts must be brought out in the open. Why are the Liberals not taking any action? Whom do they want to protect? Why not follow up on their project to establish an inquiry commission? Such a commission could bring out in the open illegal or unacceptable actions. In such cases, it would not be necessary for the minister to pay compensation. In other words, section 10 of Bill C-22 would be irrelevant. One must also keep in mind paragraph 8.6.3 of the contract.

We are speaking now about public funds, about the taxpayers' money. We cannot stand idle while the government refuses to act. As the Minister of Transport said so eloquently in his speech of April 26 about the Pearson Airport privatization, and I quote: "We believe matters that could significantly affect our economy and our competitive position as a nation should be decided in an open and accessible process". Which process could be more open and accessible than a royal commission of inquiry? How do the Liberals plan to shed light on this deal?

Regarding compensation, Bill C-22 seems to make an exception of lobbying. If I may, I want to remind the House that lobbying services are already tax deductible.

(1540)

Therefore, taxpayers already paid part of the expenses supported by the companies which used such services. Nobody should be conned into believing that the shell games, all too common in this case, will not cost a penny to taxpayers. On the contrary, all the political connections that came to the fore lead us to predict that there will be much waste of public funds.

There are more than Conservative lobbyists and key figures involved in this. There are also lobbyists and money-men for the other big party, as it likes to be called. Clearly, this deal was put together by people from the two rival parties. If the minister exercises his discretionary power it will cast a dark shadow on

the government and this House. Without a royal commission of inquiry Quebecers and Canadians will never be certain of the integrity of their government. This is a far cry from the openness the Liberal Party promised the people.

Moreover, without a commission, it is quite possible that innocent people could be painted with the same brush as the others. The fact that the government refuses to shed light on this affair will tarnish the reputation of all the people involved. The government cannot act like nothing happened, like it did not have any suspicion regarding the integrity of some of the stakeholders. A public inquiry would restore, among ordinary citizens, confidence in the honesty of the system.

To conclude, I wish to underline the controversy which surrounds this whole affair. True, friends of the previous government are involved, but some people very close to the present government have also a hand in this sordid mess. Quebecers and Canadians have the right to get to the bottom of this saga. That would be transparency, not the kind we talk about but the kind we live everyday of our lives; the kind people expect of their elected representatives and that would help restore people's confidence in their government.

Quebecers and Canadians are tired of playing games with their governments. It is their money which is at stake. Let us put an end to political manoeuvring and dirty tricks, whether real or apparent. People have the right to know. It is fundamental. A democratic country, which takes pride in its Charter of Rights and Freedoms, cannot afford to put a lid on this whole thing. The only way to get to the bottom of the Pearson Airport privatization deal is to order a royal commission without further delay. In view of the fact that voter confidence for their elected representatives is the cornerstone of democracy, it is unacceptable to allow the minister in charge to pay any compensation as long as all the ins and outs of this deal have not been made public through an independent and impartial process.

**Mr. Michel Guimond (Beauport—Montmorency—Orléans):** Mr. Speaker, on May 3, the House of Commons rejected the amendment of the Reform member for Simcoe Centre.

Although my colleagues in this House made this decision, I will now try to convince them to pass the amendment proposed by the Leader of the Official Opposition, whereby a royal commission of inquiry would shed light on the circumstances surrounding the signing of the contract between the government and T1 T2 Limited Partnership.

As I pointed out in my last speech, Bill C-22 contains 12 clauses. We find it impossible to agree with one in particular, namely Clause 10(1) authorizing the Governor in Council to pay T1 T2 Limited Partnership such amounts as considered appropriate in connection with the coming into force of this act, subject to the terms and conditions considered appropriate.

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When I say I cannot agree with clause 10(1), I am also confident that the people I represent would not agree with a party refusing to shed light on disturbing facts, when the Liberal Party of Canada claims to be transparent and to protect the interests of taxpayers.

(1545)

The Liberal Party of Canada now in office made the decision to cancel the privatization of Pearson Airport because it knew the facts that led the former Conservative government to sign this agreement.

Most of these facts have been confirmed by the Nixon report. This government is also aware that it did not give the Nixon commission enough time to uncover all the facts behind this peculiar decision by the Conservative government.

They still uncovered enough to allow the current government to end the scandal and give back to the Canadian people an asset that belonged to them.

Why would the Liberal government now spoil things by granting an organization compensation for losses and damages that are not clearly identified? Why would it refuse the public the right to know how lobbyists acted, people who we rightly thought we were getting rid of along with the Conservative government? Why would it assume the right to distribute our tax money to an organization that may have no legal right to it?

Although the Prime Minister thinks that he is still popular, he can be sure that he will lose his popularity, what remains of it, if he takes this action that is fraught with consequences. We will not be shy about reminding the people that this government refused to allow a royal commission of inquiry in order to hide from the people the doings of the former Conservative government and perhaps of some lobbyists close to the Liberals now in power.

This is in order to protect the friends of the Conservative regime, which could lead people to believe that the two traditional parties have the same friends. We will not be shy either about letting the people know the reasons for which the Leader of the Official Opposition called for such an inquiry. They are numerous and I will give some:

First, the present government itself administers the Toronto airport through the Department of Transport, instead of entrusting it to a non-profit organization, as in Montreal, Calgary, Vancouver and Edmonton, where the managing authorities are made up of community representatives who are therefore able to defend their interests.

I give the Montreal airports authority as an example. It administers Montreal's two airports and its board is made up of seven representatives of the business community, who are also on the board of the corporation that promotes Montreal's airports, SOPRAM.

The eighth member is the chairman and chief executive officer of Montreal airport authorities. It is also interesting to note that SOPRAM is a non-profit organization, whose 21 members are appointed by the following: the City of Montreal, the City of Laval, the conference of suburban mayors, the Chambre de commerce du Montréal métropolitain, the Board of Trade of Metropolitan Montreal, the corporation for promoting Mirabel airport (COPAM), the Société montréalaise de développement (SMD), and the City of Longueuil. This representation ensures that the Montreal airport authorities have an approach which is sensitive to local interests, and which is deep-rooted in business.

Second, we are asking for a commission of inquiry because, on reviewing the Nixon report, we noted that the time frame for the call for tenders was surprisingly short, namely 90 days, which made it impossible for groups not already involved in the management of the airport, as Claridge and Paxport were, to come up with a competitive bid. That explains why only two bids were received. Indeed, Paxport had already submitted a privatization proposal in 1989, which it had had to withdraw, and Claridge was operating terminal 3.

Third, why was the contract signed on October 3, 1993, in the midst of the election campaign, and after the chief negotiator expressed reservations and demanded written instructions before signing?

Fourth, what was the precise role played by lobbyists, and whom did they approach? Fifth, how much did Canadians have to pay for this hasty decision, and who benefited from it? Sixth, why did the Conservative government want to privatize Pearson Airport considering that it is the most profitable airport in Canada?

(1550)

Seventh, why did the government allocate T1 T2 Limited Partnership a rate of return of 24 per cent before taxes, and 14 per cent after taxes?

Eighth, why does the Nixon Report recommend no compensation for lost opportunities and lobbyists' fees? Did Mr. Nixon uncover even more irregularities than we know of?

Ninth, what was the role of some stakeholders with close ties either to the Conservative Party or to the Liberal Party of Canada?

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Tenth and last reason—but more could be found—why this Liberal government did not include in Bill C-22 a clause authorizing the transfer of the Pearson Airport management to a non-profit corporation?

These are a few of the reasons why a royal commission of inquiry is required, to make an informed decision. It is essential that this commission show clearly the impact lobbyists have had in this matter. It will look into the costs to the public purse, employment implications in the greater Toronto area and impact on transportation in Canada in particular.

These are but a few of the reasons we will clearly set out to the people to make them realize this government should have allowed a royal commission of inquiry to be held if it was rejecting the amendment put forward by the Official Opposition.

The House will notice, based on the evidence provided, what a far-reaching decision the federal government has made in cancelling the privatization contract and putting back in the hands of the people of Canada the control of one of the means of transport essential to Canadian industry and economic development.

As I said earlier, and I am saying it again, let us not spoil the whole business by paying compensation to friends of the regime. Instead, let us invest that money in the transport industry, whether air, rail or water transport. And I am quoting examples of which the Minister of Transport will approve, I am sure.

The Jean Lesage International airport is in dire need of financial support to be international in more than name only. Over the last few months, our party has asked several times in this House that the radar control facility at the Quebec City airport remain in operation and serve as a back up for Montreal's system, in case of a breakdown. Moreover, Quebec City airport needs investments to improve its infrastructure and adequately serve our provincial capital which, we hope, will host the Winter Olympic Games in 2002.

The marine transport sector would also be pleased to receive the compensation which the government is about to pay to T1 T2 Partnerships and use it to have a safe ferry built by the best people in the trade, MIL Davie's employees, in Lauzon, for the proud Magdalen islanders. This compensation could also be used to build the so-called "smart ship", which would do so much for MIL Davie's recovery, while also helping Canada to fulfill its role in international peacekeeping missions.

Also, I cannot help but mention again what would be the greatest achievement, namely the construction of a high speed train line. Given the statement made by VIA Rail's president, I am convinced that he would gladly accept that compensation to launch this prestigious project. The Minister of Transport is delaying his answer by arguing that he is consulting with the provinces and that a report will be tabled in June. Does the minister intend to wait until the House recesses for the summer?

It would be unacceptable if the elected representatives of this House did not make a decision on a project of that magnitude. We do hope that we misread the minister's intentions and that a bill will be tabled in early June.

I will conclude by discussing the amendment proposed by the Leader of the Opposition to Bill C-22, and by reminding hon. members of the importance of the vote which will be taken in a few hours. If we are to keep some level of credibility—and I do say "some" level of credibility, since Canadians are more and more losing confidence in their politicians, as I am told during the week-ends, while I am working in my riding, by my constituents who say that, from what they can see on television, the House of Commons proceedings are turning into a real circus and politicians are no longer credible—we must show that we are not afraid of transparency and do everything we can to make our work more transparent. What better than an unbiased royal commission of inquiry to do so? This is the kind of initiatives that will allow us to govern with the support of the people when we have tough choices to make.

(1555)

Even with a majority in the House, the government cannot afford to dismiss the fair demands made by the Official Opposition, because its popularity rating outside Quebec could melt away like snow and turn into an angry outcry the Liberal government will remember for a long time.

**Mr. Yves Rocheleau (Trois-Rivières):** You can be sure, Mr. Speaker, that I am pleased to speak for the second time on Bill C-22, an act respecting certain agreements concerning the redevelopment and operation of terminals 1 and 2 at Lester B. Pearson International Airport, in Toronto.

The Pearson Airport is the biggest airport in Canada, with 20 million passengers yearly, that is some 57,000 daily. It occupies 1,792 hectares, includes three terminals and employs 15,000 people. Some 800 aircraft land every day at Pearson and take off for 300 destinations in 60 foreign countries. This is the only Canadian airport that can be considered a true crossroads.

According to a 1987 Transport Canada study, Pearson has a \$4 billion direct economic impact on the economy of the province of Ontario and was directly and indirectly responsible for over 56,000 Ontario jobs. It is by any estimation more than the sum of its parts or the total of its assets and liabilities. It is a critical national gateway and a hub service to travellers, families and shippers. It cannot be duplicated by any other facility in the area, indeed the province or the country, although Vancouver is getting there and Montreal has the potential. This combination of its economic and social importance to the region, the province and the country, and the fact that it is a unique service for which there is no alternative, transforms the airport, in my opinion, from a simple transportation facility into one of the most important public assets in the southern Ontario and Canadian economy.

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After all the speeches we in the Official Opposition made on the subject, you surely know that our biggest reservation about the bill, indeed our strong protest, relates to clause 10, which reads as follows:

10.(1) If the Minister considers it appropriate to do so, the Minister may, with the approval of the Governor in Council, enter into agreements on behalf of Her Majesty to provide for the payment of such amounts as the Minister considers appropriate in connection with the coming into force of this Act, subject to the terms and conditions that the Minister considers appropriate.

That is the problem. You also know by now that the opposition supports the cancellation of this shocking contract because there are many reasons to do so. What convinced me, I must say in all humility, is the Nixon report that I read in full several times. I understood why Mr. Nixon, Liberal as he is—and an honourable man, close to the circles we are talking about, including the Prime Minister's friends—because of his fairness and his sense of responsibility, had no choice but to talk about “manoeuvre”.

A careful reading of his report shows why he used such strong language. In Webster's New World Dictionary, “manoeuvre” is defined thus:

To manipulate or scheme.

So this is indeed strong language.

I would like to bring to the attention of the House some excerpts from the report that are very informative and illustrate the cloudy, obscure and shocking nature of this affair.

As we in the Official Opposition have repeated on many occasions, we need a royal commission of inquiry to determine whether or not there were shady dealings involved.

For example, on page 5, there is a short paragraph that gives us a hint on the scheming. Scheming is the common thread that runs through the entire Nixon Report. Let me quote the following paragraph:

In the calculation of gross revenue (on which rent will be based), there are 10 deductions which I am advised are unusual in commercial transactions.

(1600)

Mr. Nixon also goes on to say that T1 T2 Limited Partnership, which would oversee the airport's administration, is a multiple rather than a sole purpose corporation.

According to Mr. Nixon:

The lease does not restrict the freedom of T1 T2 Limited Partnership to carry out an undertaking other than the management, operation and maintenance of Terminals 1 and 2. Therefore, the financial health of T1 T2 Limited Partnership could be adversely affected by the financial failure of a venture which has nothing to do with the management, operation and maintenance of Terminals 1 and 2.

With respect to passenger traffic, the report states the following:

The Government of Canada undertakes not to permit development of any airport facility within 75 km of the T1 T2 complex that would reduce passenger traffic at Pearson by more than 1.5 million persons per year, until the volume of passenger traffic at Pearson reaches 33 million people per year. Present projections predict this number to be reached by approximately the year 2005. If the Government of Canada chooses to engage in such proscribed development—

The scheming is clear, as is the understanding between those who are close to and exert undue influence on the government.

Another interesting and revealing point is worth citing:

About the end of September 1993, T1 T2 Limited Partnership represented to the Government that it had entered into 10 contracts with non-arms length parties—

therefore parties with ties to the project, Mr. Speaker—

—prior to October 7, 1993. One of these was said to be a construction management agreement with Matthews Construction. This information was not publicly disclosed.

We must know that Matthews is directly involved. It is a party to the whole deal and closely linked to Paxport's operations. It goes on to say:

After permitting the privatization of Terminal 3 at Pearson, the process to privatize Terminals 1 and 2, the remainder of the largest airport in Canada, is inconsistent with the major thrust of the policy of the Government of Canada announced in 1987.

It is under this policy that the government rejected the offer made in 1989–90 by the same players. Time and undue influence having done their job, the government showed a great deal of interest in 1993, and we know what happened.

Another very important finding of the Nixon report concerns the proposal submission time frame:

The RFP having as it did only a single stage and requiring proponents to engage in project definition as well as proposal submission and, all within a 90 day time frame—

As we know, even with a \$700 million investment, people have only 90 days to decide. I now continue with the quote:

—created, in my view, an enormous advantage to a proponent—

namely Paxport. That is what I call scheming, Mr. Speaker. Mr. Nixon goes on to say:

—that had previously submitted a proposal for privatizing and developing T1 and T2.

That is why, Mr. Speaker, given everything surrounding this deal, we are surprised, first, that the report itself does not make that suggestion and, second, that the Prime Minister and the Liberal Party, despite all its claims to transparency in the red book, did not do it. A royal commission of inquiry must be set up to shed light on this shocking event that, in my opinion, brings shame to Canada and its institutions.

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I remind my friends opposite that the Liberal red book emphasizes in several places the need to restore people's trust in their government by making it more transparent. Disturbing facts in this case lead us to question the transparency of the Liberal government and the previous government as well as the legitimacy of any decision to compensate the businesses involved. The Lobbyists Act is a key element of this transparency. I will close by quoting an excerpt from chapter 6 of the red book dealing with the question of transparency and lobbying:

The most important asset of government is the confidence it enjoys of the citizens to whom it is accountable. If government is to play a positive role in society, as it must, honesty and integrity in our political institutions must be restored.

(1605)

**Mrs. Pauline Picard (Drummond):** Mr. Speaker, during the last election campaign which led to the formation of this Parliament, our government colleagues travelled across the country waving their philosophy manual, better known as the red book. Making all kinds of promises in their speeches, our colleagues were particularly keen on promising all Quebecers and Canadians that a Liberal government would restore integrity to our political institutions—red book, chapter 6.

The essence of that promise was a formal commitment to giving our country a government that would be more transparent, a government that would not play cat and mouse with taxpayers, a government made up of people who would preach by example and give back to Canadians the confidence they had lost in their elected representatives. I heard the Prime Minister make that kind of statement in a formal tone that would leave absolutely no doubt in anybody's mind. I heard him say very convincingly that his government would clean up the way politics are played in our country and would stay away from all the questionable practices that we had grown accustomed to under the Conservative government.

Now, it seems to me that the Pearson airport privatization deal is a golden opportunity for the government to follow up on its election promises. The influence exerted by friends of the government in this deal gives the present government the chance to fulfil its commitments. If it does not seize this opportunity right now, does that mean that it will not keep the promises of integrity and transparency made during the election campaign? Why is the government refusing to get to the bottom of this matter? If we have any respect for taxpayers, we have to tell them how their money is spent, who makes the decisions and in whose interest. If we do not agree, and rightly so, on a matter such as the Pearson Airport deal, we have to say why we do not. If we fear that there have been some shady dealings, we should not avoid the subject.

On the contrary, we have to face up to it so that leniency does not resurface in the future and we do not fall into the same traps. Quebecers and Canadians have the right to know about this, not just a small part of it, from a government that refuses to talk about it and is quick to evade its responsibilities by trying to ram through Bill C-22. We have to get right to the bottom of this matter through a genuine commission of inquiry and leave it to the House to determine, after the inquiry, whether compensation is appropriate or not.

I am rising in this House to tell you so because, as members of Parliament, we have to denounce the actions of some members of the political class of this country. More particularly, we have to denounce the quasi-incestuous practices that are part of the culture of persons who daily try to influence government decisions.

Using every lever at their disposal, from childhood friendships to favours done, right through electoral organizing and political party financing, these persons contribute to trade public interest for private good and, sadly, contribute to relegate the role of duly elected Parliamentarians to a position of secondary importance. I rise therefore in this House with this bitter aftertaste left by Bill C-22, by the nebulous aspect of the Pearson Airport privatization matter that seems to involve lobbyists, politicians, former officials and friends of the government.

The investigation into the Pearson airport issue should not be restricted to the debate on Bill C-22. The government is making a mistake by refusing to go to the bottom of this issue. By simply repressing the whole matter and granting under clause 10 generous compensation payments that it wants to set as it pleases behind closed doors and without consultation with parliamentarians, is the government revealing the real truth to the Canadian people and the Quebec people, a truth which is quite different from what we read in the red book about a code of ethics and lobbyists? Have the powerful lobbyists that hound the government already managed to change its mind? I hope not. The government is faced here with a perfect situation where it can demonstrate its good will, propose a new way of dealing with government business, and restore in the population a minimum of trust for the political class.

(1610)

At a time when all surveys and opinion polls indicate that people mistrust and have little respect for their political leaders, should we not face the old demons that dwell in the back rooms of government and give the people what it wants, that is openness and the simple, plain truth? The Pearson airport issue is the perfect opportunity for that exercise, and I am sure that with a free vote, all members would act according to their

conscience and lean towards openness, parliamentary legitimacy and restriction of ambitions.

It is the government's duty to launch a public inquiry into the privatization of the Pearson airport. If it refuses to do so, it will be remiss in its duty, it will break its electoral commitments and pardon the ways of the Conservatives in order to better follow them. Quite clearly, the only thing that will have changed is a few of the people at the trough.

I would like to give you a little bit of background, Mr. Speaker. Mr. Nixon wrote in his report that the Pearson airport privatization is an obvious example of political manipulating, improprieties and manoeuvring. Whence the importance, if we have nothing to hide or to protect, of fully examining this matter so that it can serve as an example and ensure that such a situation does not happen again.

In 1987, when the federal government announced a new management policy for Canadian airports, it did so mainly to involve local authorities in airport affairs and sites development. Such was the case for Vancouver and Montreal, among others, where non-profit organizations manage airport installations. In Toronto, however, things were quite different. Is it because Pearson Airport was Canada's most profitable airport? In this era of sacro-sanct economic liberalism, why let the government manage a profitable facility when there are so many that are not profitable within its reach?

Far from protecting the public interest, the transaction occurred right in the middle of an election campaign to the benefit of the only two bidders, two former competitors now united to make a profit. Paxport Inc., whose bid was selected by the government without any financial analysis, could not get enough money to complete the transaction for terminals 1 and 2. Paxport Inc. joined with Claridge Inc., which already controlled terminal 3, through the Pearson Development Corporation. This alliance was sealed in the T1 T2 Limited Partnership. And there you have it. Pearson Airport, a very profitable airport, was completely privatized in the hands of the same group.

We in the Official Opposition are not attempting to launch a witch hunt or to bring back the rules of the Grand Inquisition. We simply want to get right to the bottom of the issue and regulate certain types of questionable practices that have no place in our parliamentary system.

When we analyse the disturbing facts referred to in the Nixon Report, we cannot just forget about this issue, as the government is doing with Bill C-22.

In his report, Mr. Nixon refers to political manipulation, which is a serious observation. Are we going to keep moving in that direction and give the minister, under section 10, a blank cheque for the payment of compensations as he sees fit to do? The Nixon report shows that lobbyists in the financial communi-

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ty really tried to take us all for a ride, taxpayers of Quebec and Canada, in that project. Are we going to help them do it again?

(1615)

No, Mr. Speaker, the taxpayers have already paid too much and moreover, they must know why. Therefore, we must reject Bill C-22 and quickly set up a royal commission of inquiry.

[*English*]

**Mr. Szabo:** Mr. Speaker, finally I am rising after many months on a point of order that has to do with references made by hon. members in the Bloc Quebecois to Canada and to Quebec as separate entities.

In fairness, I do understand the wish of the Bloc to separate from Canada. However it is also not permitted in the House for members to indicate any information which they know is not true or is somehow misleading.

I would therefore simply ask the Chair if it would please rule on whether Canada in fact includes Quebec today and whether the language the member has used is in fact inappropriate in the House.

[*Translation*]

**Mr. Duceppe:** Mr. Speaker, on the same point of order, if you intend to rule on this matter, I would appreciate it if you would also give us some indication of how we should behave and what words we should use in the House, because I would like to know whether it is wrong to mention the words Canada and Quebec. Does this mean, Mr. Speaker, that in this House, we can no longer use the word Quebec? If that is the case, let us be frank and forthright about it. If the hon. member wants us to stop talking about Quebec in this House, he should say so. I am not saying we will change, but at least we will know what he thinks.

**The Deputy Speaker:** I see I will have to watch what I say in both languages.

[*English*]

It is very evident that one can get up and refer to Alberta and Canada or Quebec and Canada and certainly the Speaker will never rule that a member cannot use whichever language he or she chooses to use.

[*Translation*]

So this is a matter for debate, and I respect the hon. member's sincerity in making his point, but I think it is quite clear that in this House we have the right to use the term that was used.

**Mr. Paul Mercier (Blainville—Deux-Montagnes):** Mr. Speaker, Bill C-22 is part of the pendulum process which has become a tradition with successive governments. The Conservatives privatize, and the Liberals deprivatize. Each step costs the Treasury money and provides goodies for a few friends. The bill before the House today says that the Minister of Transport will play Santa Claus, but it does not offer any information on the



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kind of management the government is planning for Pearson airport. Will it be a local authority? A crown corporation? The Department of Transport? Who knows!

Without wishing to take sides, I can say that the management of Montreal Airport by a local authority has proved satisfactory. Aéroports de Montréal is the name of the corporation which has been responsible for the management of Dorval and Mirabel since 1989.

Originally, we had the Société de promotion des aéroports de Montréal, also known as SOPRAM. This advisory body, created in 1987, consists of 21 members belonging to seven organizations in the community, including municipalities and chambers of commerce. Each organization delegates one elected representative, one permanent member and one person from the business community. The seven members of the business community constitute the Board of Directors.

For instance, among the seven organizations that are represented, we find the Corporation de promotion à Mirabelle, also known as COPAM, which represents the interests of the region north of the Rivière des Milles-Îles, where my riding is located. COPAM consists of representatives of development corporations, chambers of commerce, municipal counsellors, and so forth. Thus, the "Aéroports de Montréal" corporation, the ADM, is the leader, at the top of a pyramid where the base is largely made up of all decision-makers and development officers of the sector. That original structure ensures perfect representativeness of the board of directors and the integration of regional development issues into the organisation's objectives.

(1620)

There is also a local airport authority in Vancouver and Calgary. Some good minds think that the same formula could apply to ports, the port of Montreal among others.

ADM must however deal with the major problem of the two Montreal airports, Dorval and Mirabel. There is no rapid link between the two that would ensure quick transit for passengers and freight. Quebec freeway 13 which was supposed to be the main link was never completed; it is still 13 kilometres short.

In March 1988, Quebec and Ottawa had agreed to share the costs of completing the freeway, which came to a total of \$78 million at that time. With a bit of nostalgia I read yesterday an article which appeared during those days in the *Voix des Mille-Îles*, a regional paper.

It said:

All the members of Parliament of our region were thrilled at things moving again on that project because the completion of the freeway will no doubt have positive impacts on the regional economy.

I stop here the reference to that 1988 article. In any case, since then, nothing has happened, Mr. Speaker, absolutely nothing. It still takes 40 minutes to go from Dorval to Mirabel on four different highways and freeways. This is what humorists call cost-effective federalism.

In spite of this handicap, last year, ADM made an estimated net profit of around \$25 million. The company accounts for 43,000 direct and indirect jobs. The economic spin-offs are \$2.73 billion.

Spurred on by this example, and in spite of the recession, regional dynamism has led to the creation of new industries and new jobs. Given the present sad state of the economy, this is nothing short of remarkable. One of these new industries is a fencing company, Bolar Inc.; its president, Mr. Lazare, listed Mirabel International Airport as one of the factors which weighed in favour of locating in the Blainville industrial park, just a few minutes from Mirabel.

Of course, industries involved with air transportation are well advised to locate near a major airport. Cases in point are Aerospace Welding, a specialist in the production of engine parts and exhaust systems, and the well-known Air Transat, which are both situated in my riding, near Mirabel.

Light industries, such as high-tech firms, which are the leading edge of the economy, also seek to locate near well-managed airports. For instance, Dowty Aerospace manufactures electronic equipment in Mirabel. DLGL, which recently moved to Blainville, specializes in human resource management software. Teknor manufactures computer components in Boisbriand. Multimeg, also in Boisbriand, produces electronic controls. In Saint-Eustache, Électromed manufactures X-ray generators for hospitals in Paris and Strasbourg. Triton, a firm which produces electronic equipment, is also located in Saint-Eustache.

Other industries, which export most of their production, have moved there recently. For example, Lumec from Boisbriand which assembles lighting systems sells abroad most of its production. We could go on and on naming the companies which, with the help of development corporations, industry commissions and municipalities, have chosen to locate in our area because of its exceptional qualities, most notably the airports of Mirabel and Dorval.

However, an international airport is also dependent on other things, and its development, and the development of the surrounding area, is tied to the air route policy of the government. In this regard we are not much favoured.

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Can we expect that once the government has dealt with the Conservative legacy, it will move to give the country an air transport policy?

(1625)

The other countries did not stay idle. Well aware of the growing importance of the quality of the airline network for the competitiveness of a country, the United States began to build super-airports. In Europe, just to give you an example, the Dutch airport of Schipol is going to undergo a remarkable structure development project which will enable it to become one of the most important transportation hubs in the world. Meanwhile, we are quietly debating deprivatization.

That incredible lack of vision of the government, its stubborn determination to remain down-to-earth in the development of policies can be felt in the railroad sector. These days, England and France are celebrating, in euphoria, the opening of the railway tunnel linking them together. England and Belgium are starting to build the high-speed trains that will link them to that tunnel. In the United States, Amtrak is getting new equipment and four HSTs are under review or under construction. And what are we doing meanwhile?

Our government is reviewing with solicitude the umpteenth study on the implementation of a HST in the Quebec-Windsor corridor that might create 120 000 jobs for many years. One can measure its high level of creativity by looking at its infrastructure program which is necessary, of course, but which is not likely to make Canada one of the most outstanding and innovative countries in the world at the end of this century.

Bill C-22 is perfectly in line with the wheeling and dealing policy which lacks grandeur and vision and which is the earmark of this government. I will vote against this bill.

**Mr. Gilles Duceppe (Laurier—Sainte-Marie):** Mr. Speaker, I had started to give the chronology of events surrounding the Pearson affair during the debate on the amendment to the amendment. As I did not have time to finish, I will take the opportunity that is offered by this debate on the amendment to continue with that analysis.

We are asking for a royal commission of inquiry, and I think that no one can explain better than Robert Nixon why we must ask for such a commission. Mr. Nixon tells us, and I quote:

My review has left me with but one conclusion. To leave in place an inadequate contract, arrived at with such a flawed process and under the shadow of possible political manipulation, is unacceptable.

One cannot speak more clearly, particularly when one sees that the political manipulation does not come from supporters of

only one party. There were two colours in that manipulation, blue and red.

With such words, those of Mr. Nixon, the government cannot justify compensating people who tried to take advantage of these irregularities without first shedding some real light on the whole matter, and the way to do that is to have a commission of inquiry look into it.

And I still quote Mr. Nixon, because he held an inquiry, without however giving himself the means to ultimately intervene. He says to us:

Failure to make public the full identity of the participants in this agreement and other salient terms of the contract inevitably raises public suspicion.

Not with our friends opposite, but in general. And Mr. Nixon goes on:

Where the Government of Canada proposes to privatize a public asset, in my opinion, transparency should be the order of the day. The public should have the right to know the full details of the agreement.

That is on page 11 of the Nixon report. That is why we are asking for a commission to allow us to know the full details.

At the beginning of his mandate, when he had just been appointed, in November 1993, the Minister of Transport told us that he was considering the establishment of a royal commission of inquiry into the Pearson Airport privatization. But he only considered it. He did not make a decision. He was won over, on the advice of his party and following discussions, I guess, with more experienced colleagues of his, who had been ministers longer than him in their days and no doubt told him that, as a minister, one must not think too much. And when it comes to acting, one has to act correctly, meaning not to make decisions that could reveal facts which could prove incriminating for some secret contributors to the party's campaign coffers.

If we go back to 1986, Mr. Don Mazankowski, who was Minister of Transport at the time, had appointed a task force to examine alternatives for the management of Pearson Airport. The report tabled in 1986 stated, and I quote:

(1630)

*[English]*

“The prime objective of enhancing the airport's relationship with the local economy could not sufficiently be ensured under private sector management. The task force does not consider the private sector option a viable alternative”.

*[Translation]*

The task force rejected the private sector option for the management of the airport. Why then did the Conservative government of the day, just before an election, in the midst of an election campaign, say an agreement had been reached and Pearson Airport would be privatized?

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Now we are stuck with that irresponsible decision, denounced by the Liberals, who were in opposition back then and wanted to get right to the bottom of the matter. It sounds like they are not prepared to dig as deep now, not right to the bottom. We are asking that they keep the commitments they made during the election campaign. After all, that was not so long ago.

The year after the 1986 task force report was tabled, the Conservative government proceeded with the first call for tenders concerning Terminal 3 at Pearson Airport. Internal documents submitted last August to former Prime Minister Campbell described the risks associated with this transaction, in particular the increase in the fees to be paid by carriers and the fact this could result in substantial loss of income to the taxpayers.

In these documents, legal advisors indicated the exact make-up of the partnership in question was not known. It is disquieting to think the federal government would go ahead with a privatization plan without having all the facts at hand. It is even more disquieting to see the government which denounced the situation back in the days it was in opposition now refuse to get right to the bottom of the matter.

In September 1990, the federal government announced that it would privatize terminals 1 and 2 at Pearson Airport, while the civil service was negotiating the establishment of public bodies to manage airports in many parts of Canada, like Montreal. After terminal 3 opened, the bureaucrats realized that the airport was half empty and concluded that not only was privatizing terminals 1 and 2 questionable, but that the whole expansion project was anything but urgent.

What is not necessarily pressing in normal times can become urgent just before an election when people have contributed to the election fund. I suppose that it became very urgent when the Conservatives realized that they would no longer be on the government side of the House, although they did not think that they would not be on this side of the House either.

So senior officials used their contacts then to promote an option. That is what specialists on lobbying call the revolving door: officials leave the public service to sell their connections and contacts. I am thinking of Ramsay Withers. A code of ethics should be issued; it was promised in the red book. They have learned very little since then. That is why we want a more thorough inquiry than Robert Nixon's.

Remember that Mr. Nixon had no authority to order the production of documents. Documents are important. In the Ginn Publishing case, we were told that there were documents related to oral agreements that had left traces, as the heritage minister said, and that this contract would reveal discussions from the

Cabinet of that time. It is very surprising that a contract would contain Cabinet discussions, but that is what we were told.

Mr. Nixon did not have the power to compel some witnesses to appear before him, so the irregularities he mentioned could be much more serious than those he suspects did occur. That is why we think a royal commission of inquiry should be appointed without delay. Moreover, why all the secrecy surrounding Bob Wright's negotiations, given the Prime Minister's commitment to shed some light on this deal? Do the Liberals have something to hide? If not, there is a very simple way to avoid such an accusation and that is to disclose all the facts. A royal commission of inquiry must be appointed. Then, we will know if the government was really determined to get to the bottom of this matter, to settle the lobbying issue, not do away with all lobbyists, but with the unscrupulous ones involved with companies that finance both parties' election campaigns.

(1635)

Mr. Speaker, you are indicating that I have only two minutes left, so I will skip a few lines and talk about the Prime Minister who promised, during the election campaign, to order an independent review of the Pearson transaction. In spite of all Mr. Nixon's qualities, on the one hand, he had no authority and, on the other, he was a known Liberal supporter with close ties to the current government. Some Liberals are involved, undoubtedly. We know their names, we have seen them. No contractor gets involved with operations like these without having friends on both sides. That is precisely what happened in the Pearson Airport deal.

When Mr. Chern Heed, who had been Pearson International's chief executive officer since 1987, tells us that his departure is not unrelated to Pearson's privatization, this is troubling news indeed. I also remember reading in the *Ottawa Citizen* that people wondered why Prime Minister Chrétien remained silent on the privatization of Pearson Airport early in the election campaign, while three weeks later, once the details of the transaction were known, he said that he would intervene. Is it a coincidence that the Prime Minister waited until the agreement was signed before intervening?

Is it also a coincidence that the then Minister of Transport, Jean Corbeil, waited until early October, when the leaders debate took place, to conclude the agreement? Is it yet another coincidence that the government now refuses to shed light on this issue? That is a lot of coincidences for a single case! I might add that several issues have been characterized by such coincidences.

Such coincidences will occur as long as we will have a permissive law regarding the activities of lobbyists, and as long as we will not have an elections act that ensures democratic financing of political parties. Indeed, until we have here a law

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such as the one in Quebec, we will be subject to all kinds of transactions of this sort, to all kinds of suspicious dealings.

**Mr. Maurice Dumas (Argenteuil—Papineau):** Mr. Speaker, lobbying really became part of the decision-making process in the early 1980s. In Canada, lobbyists have mostly influenced the public service and the government. Prior to that date, Canada had no legislation concerning the registration of lobbyists, and the public interest went unprotected.

In 1986, the Standing Committee on Elections, Privileges and Procedure was set up to review the lobbying issue. Some of the witnesses before the committee argued that Parliament had no reason to study this matter. They thought the duty to disclose information would interfere with the right to privacy.

Under the Conservative government, a bill stating the guiding principles behind a lobbyists registration system was drafted. It was based on Bill C-82, known today as the Lobbyists Registration Act, hereinafter called Bill C-44, which was approved on September 13, 1988, and came into force on September 30, 1989. This Act was amended by Bill C-76 passed on February 22, 1993.

The definition of a true lobbyist varies in every country. However, the fundamental principle is always the same, transparency. The public must be kept informed in order for democracy to develop. In Australia, lobbyists are cursorily defined. The word means any individual or corporation that receives benefits, financial or otherwise, from a client during negotiations with ministers or representatives of the Commonwealth government. In Canada, lobbyists are defined as corporations or individuals who will, for a fee or any other benefit, make representations for a client to ministers or public servants.

(1640)

Before addressing the issue of this outrageous Pearson deal, I want to briefly review the events that surrounded the expropriation process in Mirabel, in the province of Quebec. This gorgeous area is in my riding of Argenteuil—Papineau.

On March 27, 1969, the federal government officially announced its intent to build a new Montreal International Airport, subsequently known as the Mirabel Airport. That airport was to be built in the village of Ste-Scholastique. Sixteen years later, on March 27, 1985, the bells of the Ste-Scholastique church rang to tell the people that an agreement had been signed between the Mirabel people whose land had been expropriated and the Canadian government. Under this agreement, farmers and homeowners were given back a large part of the land they had been unfairly stripped of. Some 80,000 acres out of the 97,000 acres that had been expropriated were retroceded. I was among the citizens who were unfairly stripped of their property.

His Eminence Charles Valois, bishop of St-Jérôme, stated in 1988: "The inhabitants of 11 small towns affected by the Mirabel expropriation order also went into exile. Many left under unfair and short-sighted pressure; others became strangers on the very land their forefathers had cleared. Those who expropriated their land thought they would take it lying down.

They underestimated how deeply attached these men and women were to their land".

Their ancestral houses and farm buildings were unscrupulously burnt to the ground, sometimes under their very own eyes, before they were relocated in an urban area. Some of these farmers suddenly found themselves without work or a future.

That decision taken under the government of Pierre Elliott Trudeau reminds us of the role then played by the lobbyists. Farmers did not get rich nor happy following the expropriation. Only sponsors and friends of the government really benefited from this expropriation as is the case in the Pearson deal, which is now before the House.

At that time, the Conseil régional de développement des Laurentides chose to direct long-distance flights to Mirabel and short-distance ones to Dorval. They maintained they had adopted this position to promote the economic interest of the Greater Montreal area rather than individual local interests.

Moreover, the Sommet socio-économique des Laurentides, held around the same time, had already favoured Mirabel as the main Montreal Airport, arguing that this would allow Mirabel to fully play its role as an international airport and to have the necessary interconnections on the domestic and transborder networks.

If Mirabel Airport was one of the worst planning mistakes of the Trudeau administration, we will not correct it by making another mistake.

The entire region of the Lower Laurentians benefits from the economic impact of the airport. Closing down Mirabel Airport to help Dorval would slow the economic development of the Lachute and Mirabel area where unemployment rate is already high. One of the options to stimulate the development of Mirabel would be the completion of highways 13 and 50 but it seems that the two levels of government do not yet see the need for it.

Today, the Montreal airports authority, also called the ADM, is launching a development strategy including reorganized public and shopping space on the mezzanine floor, preventive maintenance of the facilities, enhanced access and a review of the mode of operation. Indeed, large billboards on the airport grounds announce works totalling some \$150 million. It is clear Mirabel airport was not the result of an open process nor was the Pearson airport transaction.

(1645)

The idea of openness brings me to the financing of political parties. In this respect, I would like to remind you of the motion presented in this House by my colleague from Richelieu on March 18, which called for the imposition of an annual maximum of \$5,000 on political donations by individuals. That motion reminds us of who we really work for. It is the people who elected us. The member said in his speech: "Some may believe that present measures are sufficient to limit undue influence and that it is in no way necessary to cap donations. Yet,

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during the last ten years, charges of influence-peddling made against Senate and House members tend to prove the contrary.”

The voters have to regain control of our electoral system. Quebec's legislation on this matter should serve as a model in every respect. The sources and amounts of contributions have to be disclosed. Moreover, the recommendation of a code of ethics for elected and other officials is essential if we want transparency.

There were many players in the scandalous Pearson Airport transaction and I need not name them again since they all made the headlines. As a matter of fact, the person appointed by Prime Minister Chrétien to examine this issue, Robert Nixon, recommended that the contract be cancelled.

In light of all the troubling facts surrounding the Pearson deal, we must ask the Prime Minister to appoint a royal commission of inquiry to look into the activities of these lobbyists.

**The Deputy Speaker:** It is my duty, pursuant to Standing Order 38, to inform the House that questions to be raised tonight at the time of adjournment are as follows: the hon. member for Quebec—Pay equity; the hon. member for Saskatoon—Clark's Crossing—Social programs; the hon. member for Mercier—Unemployment insurance; the hon. member for Regina—Lumsden—Bill C-91; the hon. member for Richelieu—Indian Affairs.

**Mr. Ghislain Lebel (Chambly):** Mr. Speaker, my colleagues of the Bloc Québécois have tried to demonstrate with the only tool at their disposal, the Nixon Report, that what could be referred to as the “Lester B. Pearson Airport affair” was in fact a financial venture cooked up by the closest friends of both this government and the previous one. “Money has no smell”. We have all heard that proverb as old as the Liberal and the Progressive Conservative Parties. I would even add that it has no colour either.

Things happen without anybody or almost anybody opposite raising any question, because this is part of political tradition. If you wander through a foul-smelling swamp, after a while, you can no longer smell a thing.

When I say that money has no colour, I am pointing to the fact that some of the wealthiest Canadian businessmen were caught backing both horses in the federal political raceway, the blue and the red, to the great displeasure of the Liberals who believed in the exclusivity of their audience with these partisan patrons.

The names of top-ranking civil servants and politicians have been mentioned as important if not pivotal players in the monumental blunder that was the Pearson Airport deal. It is needless to twist the knife in the Liberal wounds by mentioning names like those of the Metcalfes, the Withers, the Hessions and the Kolbers, all well-placed and well-known people who used

for their own purposes the experience they acquired while holding very well paid functions.

(1650)

The values of our society have been quite disrupted in the last few decades; people are valued more for their money than for their moral values.

Canadian political practices are such that people maintain their reputation in spite of the most scandalous attempts to rob the government, with the most brazen impunity. Has the election process become a game of musical chairs where, without further ado, one party replaces another but keeps the same spirit, proceeds the same way to the benefit of the same mentors?

Is there an unwritten rule according to which preceding and new governments pass on power to one another without attacking each other? Does nothing offend the party in power or make it shudder when its own investigator, Mr. Nixon, reveals strange facts, secret dealings, people operating in secrecy and anonymity? By itself, Mr. Nixon's report should have given rise to the worst apprehensions.

Millions of dollars disappear and fall by chance into the pockets of the regime's best friends. Still, no one is shocked, no one is concerned, it is part of the game, that is all.

How much of our national debt has found itself by chance in the bank accounts of the regime's friends? Sleep soundly, Liberals, because Statistics Canada, the Conference Board, Quebec's Conseil du patronat, among others, are not interested in compiling such statistics; our society has not reached that point yet.

Our society and political parties are not even aware that top civil servants or former ministers profit from an expertise acquired at taxpayers' expense, after, in most cases, having received substantial severance bonuses as well as the traditional gold watch and farewell party.

A farewell that is rather short. As soon as they get down Parliament Hill, these people who have been members of political caucuses, know the tendencies of some, the weaknesses of others, the legal loopholes, the traps to avoid or to set off; these people sell their knowledge, which should belong to the Canadian people.

The surest way to prevent these back-room games is to forbid all tax deductions for lobbyist or canvassing expenses, as the Minister of Transport himself said.

If society sees nothing wrong in that, can we blame our leaders for not being offended by it? The opposition will not neglect its mandate. The heart has its reasons of which reason knows nothing. Liberals too, have reasons of which the people know nothing, reasons that no government should have. Things then get very complicated. That is what the Liberals want: they

want to thwart all our efforts to discover the truth and they want to leave the House in the dark.

Nearly half the members in this House did what they could in good faith with a piece of legislation that can almost be described as a political obscenity or even legislative pornography. In this seemingly odious approach to peace-buying, they tried, in keeping with their mandate, to understand the reasons behind this bill, the remedy it sought, and the reason for that remedy.

It is hard to understand the stubbornness of the government in view of what seems to be the boldest attempt to misappropriate public funds in decades.

Neither the Official Opposition nor the Reform Party are trying to bring disrepute to any people, and they do not want to engage in witch-hunting or blame people who acted in good faith. Most of the suspicion here stems from the reluctance of the government to answer legitimate questions.

The relentlessness with which the government tries to avoid anything that could irritate any of the players in this miserable affair can only generate confusion and fear. The official opposition and the Reform Party also, undoubtedly, would be pleased to make amends if it turned out that our suspicions, which the Liberal Party seeks so eagerly to dispel, could not and should not touch our most respectable citizens who are involved in this unfortunate deal.

(1655)

Our Parliament has certain powers that are sometimes similar to judicial powers in the sense that, when a court makes a decision, it must not only be fair but also be seen to be fair. It is the same thing for our laws; the ones that are voted here must not only be fair but also be seen to be fair. The perennial character of laws makes them offensive when they are compromising in nature and their observance is somewhat uncertain.

History will soon judge their authors, often while they are still alive. A book recently published in Quebec did not wait out the thirty-year prescription to attach to a politician who is alive and well the attribute of "cheater".

Why these hesitations, why so much reluctance on the part of the party in office? Does it not agree, as it is stating, that any inquiry would only dispel any suspicion? But precisely there is suspicion; so let us treat it as we should and everyone's conscience will be eased.

Jean de La Fontaine (1621–1695), a renowned writer of fables, undoubtedly a Liberal lobbyist, was hated by Louis XIV but, as any good lobbyist having managed to get around the problem, became a protégé of Fouquet and of the duchess of Orléans.

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His easy access was guaranteed, which allowed him to describe so well the lobbies of his time in the famous tale entitled *Les Animaux malades de la peste*.

They were not all dying from it, but all were stricken, so that in caucus, it was decided that the biggest sinner would be sacrificed to expiate the sins of all the others.

The lion admitted to have eaten some sheep on a few occasions, even the shepherd sometimes; the donkey, whose only sin was to have grazed in the neighbour's meadow, was immediately found guilty and sacrificed.

Does that anecdote not remind you of a story that happened here recently? A little effort, Liberal gentlemen.

In a modest flight of oratory, the Prime Minister showed the door to one of his MPs, who had committed the big blunder of being imprecise in writing his resume. On that occasion, the Prime Minister's sensitive scruples suggested that he would change things. But it seems that will not happen.

For his unforgivable, reprehensible sin, the culprit was executed without further ado.

Does the party have two value systems? One for its intimate funders and other close relatives, the other one for plebeians, the unemployed and welfare recipients?

I think we can assume that La Fontaine knew what he was talking about when he said: "la raison du plus fort est encore la meilleure".

**Mrs. Francine Lalonde (Mercier):** Thank you, Mr. Speaker. Mr. Speaker, the Official Opposition has tabled an amendment to have a royal commission of inquiry instead of adopting the bill before the House today. I have said before in this House that there was a taint of manoeuvring around the contracts, of which there are a quite a few, which were concluded when Terminals 1 and 2 were privatized. This taint could only be removed by a commission of inquiry that would investigate this matter. My colleagues have said so repeatedly, but apparently that has fallen on deaf ears, not yours, Mr. Speaker but those of our colleagues opposite.

It should be clear to them since the Liberals are involved through the people who contribute to the party's coffers, that if compensation payments are not made in full public view, the suspicion will linger that money changed hands under the table. There will always be some suspicion that ties between the traditional parties and governments and the contributors to party coffers remain intact and that this is a case of you scratch my back and I scratch yours. People will wonder: How much will the government secretly agree to pay to a certain investor and why? How much, to whom and why? These questions should be considered, or at least the answers to those questions should be given publicly, and the underlying reasons should also be made known.

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(1700)

Why will the government not let a third party evaluate this deal, a third party with an obligation to answer to the citizens of Canada? Otherwise, consider the opportunities for collusion among individuals who are in a position to benefit from such deals, at the expense of taxpayers in Quebec and Canada? Of course this may not happen, but people will never be sure.

My colleagues have said that not only must justice be done, it must be seen to be done. In this case, we will never be sure there was no collusion.

Who does the government want to protect and why? That is the question. Why does not the government want to know all the facts? Is the strong taint around these transactions not convincing enough? Does the government think that by cleaning up mess, it may be contaminated in the process? How much is this going to cost taxpayers? Can we accept the risk that several hundred or several thousand or even several million dollars will be misspent?

In this connection, I feel I must recall what was said in the course of another debate we had in this House, which will be resumed after the committee has done its work, and I am referring to the cuts in the unemployment insurance program. When an unemployment insurance applicant signs his form and makes a mistake, be it of a week, a day or an hour, not only can the government claim back the money paid in excess, but it can also brand the person a cheater. Even if the Act were not amended, that is what would happen. The government which wants a free hand to give compensation it calls just to investors, some of whom, as we know, contribute to the party's coffers, that same government introduced Bill C-17 which seeks to increase the number of weeks necessary to qualify for unemployment insurance.

That same government wants to limit the number of weeks of entitlement and in that case we are not talking about thousands or hundreds of thousands of dollars, we are talking of a few dollars that the workers really need. Yet, in many cases, these workers are going to be deprived of sums of money very important to them. Of course, the sums involved would not be a suitable compensation for an investor, but to unemployed workers they would help pay the rent and feed the family.

(1705)

I wish to stress that too often there are two categories of people in this country. The ordinary citizens who have a hard time earning a living, because jobs are scarce, and must respect the law to a tee or be faced with costly penalties. And there are the others, who belong to an ill-defined circle, but can easily take advantage of the gravy train.

At a time when it is so hard for ordinary citizens to make ends meet, when jobs are hard to get, when it is very difficult to raise children and give them an education, we cannot in any way let the government apply a double standard and compensate investors, who certainly spent time and energy, but have probably been compensated already. We cannot let the government yield to undue pressure. Justice is not enough, there must also be appearance of justice.

I should say that Torontonians and Canadians who rely on Pearson Airport should be glad to be spared this deal. The contract provisions which were brought to light in the Nixon report—it was not a royal commission but it makes you want one—reveal that Toronto's economic development would bear little resemblance to the projections based on 30 years and even on 57 years. Without a doubt Torontonians have had a narrow escape.

I can say that because in Quebec, the Liberal Government of the time ordered the construction of a new airport based on projections that said it would lead to the area's prosperity. In fact, it was all the contrary for Montreal. So Torontonians are lucky, but the price to pay must not be too expensive for ordinary Canadians. Even if they are investors who contribute generously to political parties, that does not mean we should give them special consideration. The government, in particular, should not be allowed to do so.

**Mrs. Maud Debien (Laval East):** Mr. Speaker, I speak today on Bill C-22 because I believe in democracy, in the ideal that demands that governments legislate while taking into account the interests of the population and the common good. The decisions taken in this House allow us to reflect and promote the democratic values.

I am among those who believe it is still possible to send people to Parliament so that they can work hard to defend the interests of their fellow citizens. I believe that political representation is based on a confidence relationship between voters and elected representatives.

(1710)

Democracy is also the process underlying all of our institutions. It is through them that all the great values of transparency, ethics, justice and fairness are conveyed. It is on them that rests the confidence relationship between a government and its citizens. When politicians break that special relationship, the society is faced with individualism, profiteering, cynicism and disillusionment to name but a few.

The Liberal government likes to repeat, in this House, its intentions to make sure that Canadians regain confidence in their political institutions through a better transparency. I do not believe that Bill C-22, as worded, could do it.

All the ploys and the jiggery-pokery surrounding the privatization of Pearson airport under the previous Conservative government are a sad example of incidents which diminish the people's respect and confidence vis-à-vis their government.

Allow me, Mr. Speaker, to remind the House of some elements of this deal we should now call the Pearson saga. The Canadian government announced its political intention to privatize Terminals 1 and 2 at Lester B. Pearson International Airport in March 1992. Less than three months after this announcement, the Request for Proposals process was over. They had received only two bids from Paxport and Claridge. Given the importance of this transaction, everybody agrees that the time limits were too short.

In December 1992, the Paxport proposal was accepted. Later on, Paxport was unable to respect the government's conditions concerning its financial viability. In February 1993, Paxport merged its activities with those of its competitor, Claridge; that merger put them in a monopoly situation which was contrary to the government's guidelines. But this is not the first incongruity in this deal nor is it the last. Be that as it may, a few months later, in the middle of the election campaign, on October 7, 1993, the government and the corporation resulting from the merger of Paxport and Claridge hurriedly signed a legal agreement for the privatization of Terminals 1 and 2 of Lester B. Pearson International Airport.

When returned to office, the Liberal government ordered an in camera review of the situation. That review was completed by Mr. Robert Nixon, a former Liberal minister at Queen's Park. The conclusion of the Nixon report is, and I quote:

My review has left me with but one conclusion. To leave in place an inadequate contract, arrived at with such a flawed process and under the shadow of possible political manipulation, is unacceptable.

On December 3, 1993, the Prime Minister announced the cancellation of the airport privatization contract and on April 13 last, the Minister of Transport presented Bill C-22 which reflects the government's will.

The secret maneuvering and shameless favouritism surrounding this deal hide a reality which is even less edifying. On the one hand the Liberal government claims to be asking for the cancellation of that contract in the public interest but, on the other, it does not worry about public interest when it gives discretionary powers to the cabinet allowing it to pay compensation according to its own judgment. This may well cancel out the positive effects the government says it wanted in the first place. As a matter of fact, the government is asking us today to sign a blank cheque to compensate the companies involved in this transaction. Quite a few political personalities and lobbyists, of

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Conservative and Liberal allegiance, are closely connected with this whole sorry affair.

(1715)

In spite of the fact that the Liberal Party promised to get to the bottom of the Pearson saga and to introduce an in-depth reform to better control lobbyists' actions in the backrooms of Parliament, we are forced to notice that the same old manoeuvring is still taking place.

The people's cynicism for politicians is the fruit of misappropriations similar to the Pearson saga. Let us not forget that Quebec and Canadian taxpayers pay for lobbying expenses and political party contributions through corporate tax deductions. When patronage occurs, they pay again for the cost overruns of lucrative contracts, or the sale of public property to friends of the government at bargain prices. Taxpayers have every right to say enough is enough.

And yet, there are solutions such as those proposed by the Bloc Québécois to put an end to this cover-up. They go from the public financing of political parties to a stricter control of lobbying activities and the adoption of a code of conduct for elected representatives and high officials. By amending Bill C-22 and by calling for a royal commission of inquiry, as requested by the Bloc Québécois, the Liberal government could show that transparency is more than wishful thinking, more than an abstract idea.

Georges Burdeau said: "The overriding concern of a democracy is to ensure that the power that the people hold is not corrupted by the demands of the masses. What is important is to ensure that freedom is not subjugated by passions, by factional tyranny or by special interest groups".

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

**Some hon. members:** Question!

**The Deputy Speaker:** The question is on the amendment. Is it the pleasure of the House to adopt the amendment?

**Some hon. members:** Agreed.

**Some hon. members:** No.

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

**Some hon. members:** Yea.

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

**Some hon. members:** Nay.

[English]

**The Deputy Speaker:** I am told I am not supposed to call it a tie so I will say that the nays have it.



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*And more than five members having risen:*

**The Deputy Speaker:** Pursuant to Standing Order 45(5)(a), the opposition whip has asked that a recorded division on the amendment stand deferred until tomorrow at 3 p.m., at which time the bells to call in the members will be sounded for not more than 15 minutes.

\* \* \*

(1720)

### CANADA PETROLEUM RESOURCES ACT

**Hon. Ron Irwin (Minister of Indian Affairs and Northern Development)** moved that Bill C-25, an act to amend the Canada Petroleum Resources Act, be read the second time and referred to a committee.

He said: Mr. Speaker, I rise to address the House on Bill C-25, an act to amend the Canada Petroleum Resources Act.

As parliamentarians we are required to absorb vast amounts of information. Pages and pages of documentation can accompany even the simplest request for a decision. It is remarkable that such a brief piece of legislation as Bill C-25 can be so important.

Bill C-25 proposes only a minor administrative change to the Canada Petroleum Resources Act in order to exempt the Norman Wells oil field which will now include additional lands. This change and, more important, the reasons behind it will have major ramifications for northern communities, for northern aboriginal people and for Canadians.

The amendment is important because it will allow production from the Norman Wells oil field in the central Mackenzie valley to continue under existing arrangements for as long as the field is commercially producible. This is now estimated to be at least to the year 2020, a full 12 years longer than originally anticipated.

Without this extension the community of Norman Wells will lose an important economic stimulus. Jobs will be lost both in Norman Wells and in other northern communities. Governments and taxpayers will also lose as millions of dollars of potential corporate and personal tax revenues, royalties and other income will disappear. In the process a vital resource will be needlessly and negligently left in the ground.

Extending the production agreement for Norman Wells, on the other hand, will rekindle investor interest in the Canadian north. As hon. members know, the economic well-being of both territories will very much benefit from healthy resource industries.

With the recent settlement of a number of aboriginal comprehensive land claims in the north, we are now in the process of opening lands to private enterprise. Establishing certainty of land and resource ownerships is one of the principle objectives of a comprehensive claims settlement.

From this standpoint, the extension of the Norman Wells project could not be more opportune. It will focus attention on the great resource potential of these northern areas at a time when lands are becoming available for exploration and development.

This in turn will result in additional drilling and service contracts for northern firms. There will also be new business opportunities for other service industries. The economic benefits of Norman Wells will continue and broaden. In order to put Bill C-25 into perspective I would like to briefly explain some of the history behind the Norman Wells development.

Although the Norman Wells field was discovered around the turn of the century, it was not significantly developed until the second world war when northern inland oil supplies became strategically important. In 1944 at the height of the war effort the Government of Canada entered into an agreement with Imperial Oil Limited to develop the Norman Wells field, the so-called proven area, set out in that agreement as based on the technology that was available at the time.

Today we know that a small proportion of the field extends beyond the current proven area boundaries. As well, the 1944 agreement had an expiry date of 2008, which was considered to be more than enough time to extract all the oil.

Based on new exploration and production technology, Imperial Oil now believes the field will be productive well beyond this date, an assessment backed by the National Energy Board.

Hon. members may be aware that the governor in council has the authority to extend the duration of the 1944 agreement with Imperial Oil and to expand the proven area. However, a minor amendment is required to the Canada Petroleum Resources Act to ensure that the act which specifically excludes the 1944 agreement refers to the 1994 agreement.

(1725)

Bill C-25 accomplishes this with an amendment that is inconsequential to the application of the act in any other region of Canada.

Proclamation of this legislation will have an immediate and very positive economic impact in the north and other parts of Canada. Bill C-25 will pave the way for a \$30 million drilling program that will be undertaken by Imperial Oil this year, assuming Parliament acts quickly enough to allow the company to take advantage of a short window of opportunity this summer for drilling work in the north.

This drilling program will be undertaken mostly in the expanded proven area. About one-third of the money, \$10 million, will be spent directly in the north. Most of the remaining \$20 million will be spent in Alberta.

As a result of the drilling program and the extension of the field's producing life, short term employment in the Norman Wells area will increase and long term employment will be stabilized.

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This government is committed to working with Imperial Oil, other companies, the community of Norman Wells and the Sahtu Dene and Metis to ensure that local people benefit from the employment. At least one-third of the on site jobs generated by the drilling program will be guaranteed to local residents. Indirect employment is estimated at an additional 25 person years in the north.

Aboriginal people in particular stand to benefit from this extension. Under their land claim agreements the Gwich'in, the Sahtu Dene and Metis are entitled to a share of the royalties from Norman Wells. The extension will give them a guaranteed revenue flow beyond 2008 and perhaps to the year 2020.

As well, Shehtah Drilling which is jointly owned by the Dene Metis and Imperial Oil holds a \$6 million drilling contract that is conditional on this project moving forward.

The Government of Canada's financial position will also benefit from the continued production of oil from Norman Wells. In addition to receiving millions in additional royalty payments from Imperial Oil, I remind hon. members that Canada is a one-third owner in Norman Wells development. The extension of production is expected to bring the government millions of dollars in return on this investment. We will also increase revenues from federal, territorial and municipal corporate taxes and from personal income taxes.

Bill C-25 provides clear evidence of this government's commitment to economic renewal in all regions of Canada. The Norman Wells extension project will not only keep some Canadians working, it will contribute directly and indirectly to the creation of many new jobs both in the north and in Alberta.

This is a positive initiative that has the support of all the key players: aboriginal and non-aboriginal people in the Northwest Territories, the Canadian Association of Petroleum Producers, the petroleum industry and of course the Government of Canada. It deserves the support of this House so that the planned drilling program can proceed this year and the affected northern communities, families and workers can be assured of a stable economic future.

[*Translation*]

**Mr. Claude Bachand (Saint-Jean):** Mr. Speaker, the bill before us today is a piece of legislation which, in our opinion, must reconcile several aspects.

First, there is a concrete reality, namely the natural resource that oil is. But there is also the notion of environmental protection, as well as the close relation to Bill C-16, which was referred in second reading to the Standing Committee on Aboriginal Affairs.

The Bloc Québécois looked at the issue in that whole context and will support Bill C-25. In fact, this bill is somewhat similar to previous pieces of legislation, including one tabled in 1944, and another one tabled in 1983, when amendments were made to the Canada Petroleum Resources Act, precisely to allow for the inclusion of provisions to the effect that this bill is not covered by the Canada Petroleum Resources Act.

I would like to go back to some historical details. I did that in the case of Bill C-16, but then I did not go over the whole historical aspect. I think it is important to put Norman Wells in its proper context. This was the first Northwest Territories community set up exclusively for the development of non-renewable resources. At the time, there was a lot of prospecting in that area and it was discovered that the region was rich in oil, even almost at ground surface. Starting in 1918 and 1919, oil was discovered in commercial quantities.

(1730)

Imperial Oil Limited and Canada jointly own these producing fields. Canada owns the equivalent of one third of these fields, while Imperial was always very active with about a two-thirds interest.

The Can-Oil patch was created during World War II to allow Norman Wells' light oil, which was then a strategic resource, to be shipped in large quantities to Alaska and to southern centres. Roads were already being built so that this very high-quality oil could be transported to the South. Norman Wells is also the northern end of the oil pipeline which goes from the Northwest Territories to Zama, in Alberta.

I think it is really important to put things in context to see why Norman Wells was always at the heart of oil exploration. What is also important, as I said earlier, is that we just looked at the issue of land claims by the Dene and the Metis. We just told these people that they would be allowed to occupy a certain territory, over which there are major oil sites.

I think that we cannot disregard the link between the two bills. It would be dangerous to vote on Bill C-25 without taking into consideration Bill C-16 which was before the House last week and which recognized the settlement agreement reached with the Dene and Metis. Under this agreement, the federal government has settled a land claim and retroceded, if you recall, over 230,000 square kilometres of land, 1,800 square kilometres of which include royalties for underground resources. I think it is important to link those two bills.

Ever since 1944, the government of Canada and Imperial Oil have had an agreement about these fields and the projected recovery we are talking about, because that is the real issue. Imperial has found a new way to market and develop petroleum resources. In fact, it has developed a water-injection system that extends the area it can work on.

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Since the company can, with this new process, extend the territory it wants to develop, we are being asked here, in the House of Commons, to stretch the rules and use Bill C-25 to amend the Canada Petroleum Resources Act.

According to 1983 estimates, oil exploration was supposed to come to an end around the year 2008. Of course, this new technology is not environmentally unsound, since, and I will come back to this issue in a little while, even the National Energy Board has examined and approved it.

So, this new process could extend the development activities to the year 2020, which would mean millions and millions of dollars in benefits for Imperial, as well as for the government of Canada and the Dene and Metis living on this territory.

As I said, the National Energy Board has approved the company's project. That is very important because, of course, when an oil company wants to intensively exploit a field and take that exploitation further, very seldom will it come with a study where, on the environmental impact side, it will say: "This has terrible environmental impacts, but we want to exploit it anyway". So, it is important that we have an independent organization from Imperial that would come and say: "Indeed, your new way of doing things on the field exploitation side is interesting and, most of all, it has no impact on the environment." That environment issue is very important in the present context, not only for Canadians, but also for Canadian Metis and Dene, who are on those territories because they always had a very privileged relationship with the environment. We know that their culture was focused on hunting and fishing at the time, and it is still the case today.

And the project is a beneficial combination that allows Dene and Metis to develop the new resources, that is oil resources, by giving them, through Bill C-16, their say on the matter, and also protects their old culture which, incidentally, they are very proud of.

(1735)

The National Energy Board did an independent review that supported the Imperial study and that company decided to get into a drilling program worth about \$30 million. That program will deal with 12 already drilled wells and others that will be drilled along the field limits. The new technologies will allow to exploit it without any cost to the environment.

I think that this Bill C-25 provides us with the good oilfield conservation and management methods.

I was saying earlier that all indicates that the project will go until 2020. I have myself contacted the Sahtu council this week. People say they agree. They were consulted. It is true that the Northwest Territories and the Canadian Association of Petroleum Producers were consulted. Everyone agrees. However, I feel—and so does the Bloc Québécois—that it would be a shame for this House to adopt Bill-25 immediately and then tell the Sahtu Tribal Council who represents the Dene and Metis: "Now

that we have decided on your behalf how the Norman Wells Development should be done, we are ready to settle your land claims."

We feel it is extremely important that Bill C-16, which is now before the Standing Committee on Aboriginal Affairs, be examined first. One way or another, Bill C-25 is also going to be referred to the Standing Committee on Aboriginal Affairs. We intend to see that Bill-16 is adopted before Bill-25.

If we make comparisons between the guarantees given by the James Bay Agreement, we find that the government is on the right track, as far as land claims are concerned. We talked a lot about that. I talked about that when Bill C-16 was introduced in the House. I talked about the James Bay Agreement which was passed as an act of the Quebec National Assembly and called the Cree-Naskapi of Quebec Act, and the federal government did that too.

It is a bit for the same reasons that we thought important to hold this debate and tell you that we agree with that bill. It will be very important for Bill C-16 to be passed by the standing committee and to come back to this House before Bill C-25 is passed.

For all those reasons, I am pleased to announce that the Bloc Québécois will support Bill C-25 provided that Bill C-16 is adopted.

[English]

**Mr. Jay Hill (Prince George—Peace River):** Mr. Speaker, I am pleased to speak on the bill before us today. Some consider Bill C-25 a minor amendment to the Canadian Petroleum Resources Act, but I would like to think it can be viewed as an important message to industry.

Thousands of jobs in my riding are directly or indirectly dependent on the current boom in the petroleum sector. But if industry's confidence in government intentions were to be eroded many of those jobs could be lost.

Although this amendment only directly affects one oil company and community, I hope it is an indication this government realizes the importance of providing our resource based industries with predictability and stability in the policy environment. If this government starts sending signals to the private sector that it is safe to make long term investment plans, it will lead to economic growth and the creation of far more permanent jobs than government can hope to achieve through any temporary make work projects.

There is a long history leading up to this current amendment. The first oil well was drilled at Norman Wells in 1920. Since then it has grown to be the fourth largest producing field in the country. In 1944 Imperial Oil and Canada signed the Norman Wells proven area agreement which included just under 3,300 hectares within its boundaries. When the Canadian Petroleum Resources Act came into force the Norman Wells proven area was exempted from the new act. Just as the bill before us does

today, subsequent renewals and agreements have been similarly exempted.

This amendment does two things. It extends the timeframe past the current expiration date of 2008 which allows Imperial to plan for long term recovery. The amendment also changes the 1944 boundaries to incorporate the entire field. Changing the boundaries to exclude non-productive portions and include new fringe areas results in an addition of 350 hectares to the old proven area.

(1740)

Canada and Imperial will not have to determine whether oil comes from pockets inside or outside the former boundaries. This will solve potential administrative problems for royalty and share calculations.

The government undertook numerous consultations when arriving at this agreement. Pursuant to the spirit and intent of the land claim agreement under negotiation with the Sahtu Dene and Metis during the same period, the government initiated discussions with them to ensure that the views of the long term stakeholders would be taken into consideration when contemplating any prospective changes to the proven area agreement.

Most other people living in Norman Wells are in some way directly dependent on the oil and gas extractive industries. Many will leave once oil production ceases, however the vast majority of the Sahtu peoples will remain.

The Sahtu agreed to this amendment at the end of March. It became apparent that Imperial's planned investment of \$30 million for this fiscal year might be jeopardized if concurrence from the Sahtu was not forthcoming. Although it is probably not binding, the Sahtu made their acceptance contingent upon the enactment of Bill C-16, the Sahtu Dene and Metis Land Claims Settlement Act.

I am not generally a cynic, but I cannot help wondering about the timing of these two respective bills in the House. What would happen if Bill C-16 were held up indefinitely or even defeated? Would the government also have to repeal this bill?

I fully appreciate that this represents a significant opportunity for the Sahtu peoples to apply some indirect pressure on the government to proclaim an agreement they have anticipated for decades. But is it responsible of the government to enter into verbal agreements of this nature linking any two pieces of legislation?

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The government also consulted with the Canadian Association of Petroleum Producers to seek its views on the principles of the amendment. The government assured CAPP this agreement would not set a precedent for the issuance of rights anywhere else in Canada.

Again the government gave assurances it cannot guarantee, this time promising this agreement would not be linked to decisions in the future. As we all know it is the job of lawyers to find precedents they can use to the advantage of their clients. Governments have also been known to fall. How can this government give a guarantee to other petroleum producers that this agreement does not set a precedent down the road?

Over the past decades the resource based industries have struggled against global recession, depressed prices, unpredictable policy and investment climates and increasing taxation from all levels of government.

Although the Ministry of Natural Resources has just released a report stating that Canada falls somewhere in the middle of the international competitive range with respect to taxation rates in mining, that is not the perception of the industry. The mining industry looks at the high marginal tax rates. Those have driven Canadian exploration and investment dollars overseas to South America. This government has the opportunity to reverse that trend by developing policies to encourage domestic investment.

In the petroleum sector depressed oil prices have resulted in massive layoffs and extensive restructuring of the industry. In the last couple of years we have seen a surge in natural gas prices leading to the current boom, but oil prices remain low and the future uncertain.

The cost overruns at *Hibernia* would not have been debated so strenuously if oil prices were stable at \$50 U.S. a barrel, but they are not. Oil prices have just barely hit \$17 on the heels of a five year low, dipping below \$14.

In this erratic global market, oil companies must make significant investment decisions based on many factors, not just the price of oil. Confidence in government policy is a critical component in those decisions.

This amendment in giving force to the Norman Wells amending agreement signed in April provides Imperial Oil with the security of tenure it needs for long term planning. It has been assured there is time to realize a return on major investments in new technology. These investments are essential to maximizing production from this field.

This amendment is good for Imperial because it provides a stable planning environment. It is good for the Sahtu Dene and other local residents because they can rely on employment opportunities and a cash infusion into the local economy for

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several more years. It is good for the Canadian people because it will generate additional oil revenues and royalties.

(1745)

I hope this amendment means that the government now recognizes it cannot cripple our natural resource industries through unfair taxation or short-sighted policy initiatives.

Canada is very dependent on revenues generated by the petroleum sector. The imposition of additional taxes such as the rumoured carbon tax could dramatically curtail growth in this sector, throwing many thousands of people out of work. There must be a balance between environmental concerns and jobs for young Canadians.

According to the Ministry of Natural Resources, Canada is expected to remain a net oil exporter until 2008. Within 25 years we will still export 75 per cent of our heavy oil production but we will import almost twice as much light oil. To offset these effects government must encourage domestic exploration for more reserves.

The decline in northern exploration has been so dramatic that even the National Energy Board was scheduled to permanently close its office in Yellowknife in March.

To date, aside from Bent Horn in the eastern Arctic offshore, no new major oil or gas prospects have been found in the Northwest Territories, indicating there are not enough reserves to warrant field development or pipeline construction.

With exploration levels falling off, industry must invest in technology to improve recovery from known reserves.

Since 1981 new technology has increased the yield from the Norman Wells field from 17 per cent to 40 per cent. This is attributable to horizontal drilling, water injection and other improvements in recovery techniques.

More recently, in February approval was granted for a propane injection pilot project in the proven area. It will assess the technical merits of a propane miscible flood for achieving increased levels of recovery over a three year period. At the end of that time Imperial should have a pretty good idea how much more oil is recoverable from the field.

As of December 1992 a little over half of the recoverable reserves remained in the ground, approximately 125 million barrels, but this may improve substantially if the propane injection proves feasible. It could ensure that the field produces far more oil than previously thought possible thus ensuring stability in the regional economy for another 20 to 25 years.

Major investment in this technology is practical in light of the security that this amendment offers.

In summary, I would like to voice my support for this bill because it provides predictability for Imperial's planning horizon and is profitable for the regional economy. It will give Imperial the confidence and security of tenure necessary for it to invest in new technology to maximize recovery from this field. This amendment will also provide economic stability and long term employment opportunities in the Norman Wells region.

Finally, it is my hope that the royalties and revenues which accrue to Canada from maximizing the productive capacity of this field will contribute to the reduction of our national deficit.

**Mr. John Loney (Edmonton North):** Mr. Speaker, I rise to address the House on Bill C-25, an act to amend the Canada Petroleum Resources Act.

I want to join my colleague, the Minister of Indian Affairs and Northern Development, in urging hon. members to support this minor administrative change to the act.

Bill C-25 will permit extending the duration of production from Norman Wells oil field probably to the year 2020 thereby continuing an important source of income from which northern families have benefited for the past five decades. This will provide a tremendous boost to the local economy. The economic activity and new investments associated with Norman Wells will possibly provide an additional 90 jobs in the north.

I would also point out to hon. members that the Norman Wells project is directly responsible for creating jobs elsewhere in Canada. For instance about 70 jobs have been created in Alberta.

It is no exaggeration to say that the community of Norman Wells depends on its oil industry. For many Canadians the words Norman Wells are inextricably linked with oil. Take away the right to produce every available drop of oil and you take away the right of economic well-being from this community.

However, by agreeing to extend the field's production life we will accomplish just the opposite. We will be making a decision that will lead to additional and longer term employment, ensuring the survival of Norman Wells for the next 25 years.

(1750)

Bill C-25 will help create continued prosperity to the community which is already the transportation hub for the region and is fast becoming a regional centre for government services and tourism. Norman Wells has a promising future but a future that needs a healthy northern petroleum industry.

I would like to briefly outline for hon. members just how important the Norman Wells project is to the economy of the Northwest Territories.

In 1993 expenditures in Norman Wells production activities totalled \$36 million, about half of which was spent in the north and all of which was spent in Canada. The oil field provides

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some \$3.7 million in wages to northern workers each year. More than 30 companies in Norman Wells and over 20 companies in other northern communities owe at least part of their annual business to the project.

By revising the proven area agreement of 1994 the government will extend the life of the field by 12 years or more and ensure that these annual expenditures continue well into the next century.

Hon. members can appreciate that Imperial Oil's plan to undertake a \$30 million drilling program is extremely good news for northern businesses and communities. Northern businesses will supply about 37 per cent of the goods and services used in the drilling program. They will also benefit from the opportunity to learn up to date horizontal drilling techniques. This capability will enhance future business and employment opportunities for northern firms not only in the Territories but also in northern Alberta and British Columbia where there is currently a shortage of such expertise.

As the minister has already stated, some \$20 million of the proposed \$30 million drilling program will be spent in the south, mostly in Alberta. Even without the drilling program Norman Wells is responsible for annual wages of \$2.8 million in the south.

Looking at this issue from a different perspective, it is clear that Canada cannot afford to abandon a project such as Norman Wells until the field has produced to its fullest potential. This, too, would be an irresponsible course of action. We have significant oil reserves in this country but that is no excuse to be wasteful.

Norman Wells is currently the fourth largest producing field in Canada. It yields about 33,000 barrels of oil a day and generated more than \$50 million in revenues to the government in 1992. The Norman Wells field has made an important contribution to Canada's energy supply over the past 40 years. With this amendment it can continue to play an important role for at least the next 25 years.

In 1994 the agreement was thought to capture the entire field and the anticipated termination of the agreement in 2008 was believed to be the full productive life of the field. Today, however, information gathered from prolonged production and advance technology demonstrates that the extent of the field should be redefined and expanded and the expiration date should be extended to capture the full productive capability of the field.

The National Energy Board has conducted an independent review of Imperial's assessments and has corroborated the conclusion that the oil field extends beyond the 1944 boundaries as well as the corporation's projections on the remaining production life beyond 2002.

The National Energy Board's technical assessment supported Imperial's view that effective reservoir management is best

accomplished by expanding the existing proven area to include the fringe areas.

The current practice under the Canada Petroleum Resources Act to issue production rights involves a competitive bidding process, but the fringe areas of the field lying outside the proven area agreement are unlikely to be developed if removed from the context of the entire field. There is a risk, therefore, that if the current policy is adhered to sound management of the field would be compromised since the outlying reserves would be left in the ground and maximum recovery of the field would never be achieved.

The proposal to extend the agreement to ensure that full commercial production of the reserves is achieved is consistent with all the federal and provincial oil and gas legislation.

(1755)

Given the special circumstances, the proposal to expand and extend the Norman Wells proven area agreement has been supported by the Canadian Association of Petroleum Producers. The proposed Norman Wells amending agreement of 1944 has two components.

First, it marginally adjusts the boundaries of the proven area to capture the fringe areas so that the field is developed as a single entity and, second, it extends the term for as long as there is commercial production.

Production from this field is governed under the Norman Wells proven area agreement and therefore this unique agreement has always been excluded from the Canada Petroleum Resources Act. For this reason revisions to the agreement must also be referenced in the act.

Hon. members should be aware that the proposed changes to the proven area agreement have been reviewed according to the government's environmental assessment process for policy and program proposals. No significant environmental impacts were identified. Nevertheless further reviews will be carried out prior to the approval of the drilling program.

Following a period of restructuring and downsizing, Canada's oil patch is showing signs of a strong and sustained recovery. Exploration and drilling activity has increased significantly. Investor interest is also up. Last year, approximately \$6 billion was invested in the Canadian petroleum industry.

In this time of resurgence, Bill C-25 will draw attention to the vast resources and the new opportunities for opening up in the north. Junior oil firms may find the north particularly appealing since these smaller firms can often develop projects that would not be profitable for the more major firms.

With the ongoing development of northern land claims, the affected aboriginal people have indicated a strong desire to participate in resource development projects. The territorial governments also welcome new resource development activity

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because of the employment, tax revenues and new business opportunities generated.

With the right signal from Ottawa, northern Canada could become the focus of significant investor attention, exploration and development activity over the next two or three years. This House can send that signal by giving prompt approval to Bill C-25.

**Mr. John Solomon (Regina—Lumsden):** Mr. Speaker, on behalf of the New Democratic Party caucus and as natural resources critic for the New Democratic Party in this House, I am pleased to participate in the debate regarding Bill C-25.

Our party throughout the last number of years has taken a very active interest in the natural resources sector in Canada. In Saskatchewan we have been involved at least in terms of the provincial government in encouraging oil companies to pursue enhanced oil recovery techniques.

I am happy to say that in Saskatchewan we have seen Morgan Hydrocarbons, Sceptre Resources, North Canadian Oils and a number of other companies pioneer the technology of horizontal well drilling. It has been very successful.

Before I get into that, I want to say that on behalf of our caucus I give our commitment that on condition we will support this bill. We believe the bill is important in terms of economic activity in the north. We believe it is extremely important with respect to creating jobs in the north and other parts of the country.

We particularly support the aspect where the country receives one-third of the profits from this project. One of the conditions in terms of our support is that the agreement continues to give Canadians one-third of the profits from this project in its expanded mode.

The reason I say that is with enhanced oil recovery and particularly horizontal oil well drilling, that increases production of wells in the Saskatchewan experience up to 500 and 600 per cent. That means when the production increases so dramatically, it shortens the life of the resource in the ground in terms of how long one can do this.

The other reason I am concerned about this bill, and I will be asking these questions in committee, is this. We in the House are not quite sure whether there will be any reduction in royalties as a result of the increased production that horizontal oil well drilling will provide.

If we continue to get our 5 per cent royalty and we continue to receive one-third of the profits and the spinoff from the expenditures by Imperial Oil with respect to jobs, that will be suitable in terms of our requirements with respect to supporting the bill.

We are very pleased to hear that the bill will only be passed on the condition that there is some commitment to provide the Sahtu nation with the bill it is interested in seeing put through the House of Commons as well.

As a member of the House and as a Canadian I am concerned that we monitor the impact on the environment as this project proceeds, in particular with horizontal oil well drilling. We have found in Saskatchewan's experience that the EOR which takes place is not dramatically problematic for the environment, but there are some concerns in very environmentally fragile areas. I would hope the government would certainly ensure the monitoring process involve the government when these things are watched from time to time.

I am not sure whether the other questions I have are for the House or for the committee. The New Democrats will be monitoring the length of time Imperial Oil will recapture its capital costs. We believe there is an opportunity because of the longevity of the resource project for the oil company to recapture its capital costs over a more moderate period of time as opposed to an accelerated period of time.

Imperial Oil is telling the government that the resource is very solid, that there is a lot of it in the ground, and that it is a long term project. I have every reason to believe that to be the case. I think as an assurance our government should say if that is the case it will allow it to write off its capital cost allowance and other capital costs over a moderate period of time as opposed to a very short period of time. This would be a responsible approach to the project. The other upside to doing so is that when it is done Canadians can share, as can the Sahtu, in the profits those wells will provide over the short term.

I thank members of the House for allowing me to raise our questions on the matter. In summary, we will support the bill as long as the concerns we have raised are addressed in a reasonable fashion.

(Motion agreed to, bill read the second time and referred to a committee.)

## SUSPENSION OF SITTING

**Mr. Don Boudria (Glengarry—Prescott—Russell):** Mr. Speaker, I wish to seek unanimous consent of the House to suspend the sitting until 6.30 p.m. or to the call of the Chair, if we have agreement of members on both sides for the adjournment debate. We could approach the Chair informally to reconvene earlier than 6.30 p.m. but in any case no later than 6.30 p.m.

**The Deputy Speaker:** Is there unanimous consent for this proposal?

**Some hon. members:** Agreed.

(The sitting of the House was suspended at 6.04 p.m.)

*Adjournment Debate*

SITTING RESUMED

(The House resumed at 6.13 p.m.)

## PROCEEDINGS ON ADJOURNMENT MOTION

*[Translation]*

A motion to adjourn the House under Standing Order 38 deemed to have been moved.

## PAY EQUITY

**Mrs. Christiane Gagnon (Quebec):** Mr. Speaker, the issue of pay equity affects a large number of women in Canada and Quebec. The issue is one of equity and equality between men and women. Through pay equity, an employer, which includes governments, recognizes the equal value of work done by men and women and, in so doing, enables female employees to reach a standing of living comparable to that of male employees.

However, this government apparently does not want to move on this issue. I have risen in my seat several times to condemn the government's failure to act in this respect. Twice, I asked the president of Treasury Board how he intended to correct the pay inequity existing in Canada's public service. I also asked when the government intended to pay its female workforce the amounts it was granted under a judgment by the Human Rights Tribunal. I was given reassurances but no firm commitment.

(1815)

On January 20, at the beginning of this Parliament, I was told that this government was most committed to the matter of pay equity and had made a formal commitment to public service employees that it would set an example in this respect. I may recall this was back in mid-January.

On March 8, International Women's Day, I twice condemned the government's failure to act on the issue of pay equity. In reply, the Secretary of State responsible for the Status of Women said: "Women must have a place in the job world, receive equal pay for work of equal value and contribute their fair share to our collective wealth".

She went on to say: "I feel privileged to be part of a government which is determined to accelerate the advancement of economic opportunities for women".

With all her eloquence, the Secretary of State was carefully avoiding mentioning any concrete projects aimed at achieving this goal.

Finally, on April 19, I again tried to get a real answer from the government. At the time, the media had announced that an agreement had been reached by the Government of Quebec with

its employees, under which the employer was committed to pay \$115 million in various forms of salary adjustments for certain employment categories. I took this opportunity to encourage the Liberal government to follow Quebec's example but to no avail.

The President of the Treasury Board gave me a very brief answer: he used the fact that legal procedures were in process not to answer.

I rise this evening to remind the government how important pay equity is for women. I want to remind the government of its campaign promises. I want to ask this government why it relentlessly carries on legal proceedings which cost \$2 million a year according to the Chief Commissioner of the Canadian Human Rights Commission.

I want to ask the government when it will stop this shameless squandering of money in the courts and when it will give these amounts to those who need it the most, that is the female employees of the Public Service of Canada.

I want to ask this government when it plans to respect the court orders and to pay back the salaries it owes its employees.

I ask this government to let us know what schedule it has established for honouring its moral and legal obligations towards its employees.

**Ms. Marlene Catterall (Parliamentary Secretary to President of the Treasury Board):** Mr. Speaker, I am very pleased to be able to answer the question of the hon. member, a question I asked in the House often from a seat very near to where she is sitting at this moment to the previous government.

*[English]*

I want to point out to her and to others who may be listening that pay equity is not simply a matter that affects women, but women and men working in groups that are dominated by females in any employment situation.

Since the proclamation of the Canadian Human Rights Act in 1978 by a Liberal government and the enshrinement of the principle of equal pay for work of equal value within section 11 of the act, the government, the Canadian Human Rights Commission, unions and employees have all worked in different ways to try to make it a reality.

Between 1985 and 1990, for instance, the government of the day sponsored a joint union-management study to actively seek out sex based disparities in salary. When this process collapsed the previous government unilaterally determined to pay over 70,000 employees retroactive payments of approximately \$317 million and ongoing annual salary adjustments of roughly \$81 million. As of March 1994 the government had paid over \$700 million to affected employees.



*Adjournment Debate*

The unions, however, believed that these payments were inadequate and submitted five new or revised equal pay complaints covering nine predominantly female occupational groups and asked for the appointment of a human rights tribunal.

Notwithstanding the assumption of the member's question, this tribunal has not yet rendered a decision. Another human rights tribunal did render a decision three years ago. This decision applied only to employees in the hospital services group. This decision has been implemented at a cost of approximately \$32 million.

(1820)

This government is interested in results and wants to achieve the important goal of economic equality for women in the public service. We have, therefore, already invited a dialogue with the unions. There has been one meeting and there are others planned with the purpose of reaching a mutually agreed upon negotiated settlement of the pay equity issue that is now before the human rights tribunal.

*[Translation]*

In fact, the government wishes to build ties of co-operation and confidence with the unions representing federal public servants. As for the agreements at the provincial level, the Quebec Government and the unions representing its workers are continuing their negotiations. There is no agreement yet.

In Ontario, the law requires specific measures according to a predetermined schedule. We fully intend to continue the implementation of pay equity as provided for by federal law.

The Canadian Human Rights Act was passed by a Liberal government and the present government is committed to this act, including the section dealing with pay equity.

*[English]*

## SOCIAL PROGRAMS

**Mr. Chris Axworthy (Saskatoon—Clark's Crossing):** Mr. Speaker, on March 7, I raised with the Minister of Human Resources Development the concern that Canadians have at the breakneck speed with which social security reform is taking place in Canada.

I am pleased to see that the provincial governments have put a break on that breakneck speed and have slowed the process down to give people in Canada more of an opportunity to look at the implications.

I also raised with him the concern that one in three Canadians have that the main aim of his social policy reform is to in fact cut social program expenditures. He responded that the objective of

reform was to get programs to meet needs. This is a noble goal but one which the government is falling far short on because we have in Canada 1.3 million children living in poverty. We have 1.6 million Canadians on unemployment insurance, 2.4 million Canadians on social assistance and who knows how many Canadians underemployed, working part time when they want to work full time, not making full use of their qualifications.

We have a crisis in unemployment in this country which the government is sitting back and watching, preferring instead to focus on social policy reform and not dealing with the matter at its core which is to make this economy function effectively for, as I say, those over four million Canadians who are without work and who want work.

It is clear, as everyone in this House will know, that the best social policy is a job. Yet we are still seeing unemployment rates hovering over 11 per cent. Recent studies show that if half a million more Canadians were working full time, provincial and federal governments between them would collect approximately \$12 billion in additional revenue on top of savings to unemployment insurance. Clearly if we get Canada working again the problems about social programs become much less significant.

Even dealing with some of the government's successes in terms of providing 80,000 young Canadians with job opportunities, that still leaves over 320,000 unable to find work; 320,000 of our future, our young people in Canada not able to find work.

There are other ways the government seems to refuse to pursue. For example, there are opportunities to raise tax dollars from the richest in our country and from corporations. Indeed, over \$140 billion in corporate profits have gone untaxed in the last nine years. If Exxon in Canada had paid its 1992-93 deferred taxes \$600,000 child care spaces would have been created. Imagine what we could have done about getting Canadians back to work through that process.

We know that half the government's debt is due to tax breaks and loopholes for wealthy Canadians. Statistics Canada has told us that. We know that 44 per cent is due to high interest rates. Only 6 per cent is due to program spending and only half of that from social program spending.

However, the government attacks just 3 per cent social program spending rather than attacking the core problem which is that Canada does not work for 4.5 million Canadians.

(1825)

Also we could look at a wealth taxes, we could look at more effective tax auditing and we could even look at lowering the limits for RRSPs if we were looking to balance some of the problems that Canadians face and if we were looking to respond with adequate social programs.

*Adjournment Debate*

We now have confusion within the government. Once the Prime Minister said that there would be no more need for budget cuts, now he has agreed with his finance minister that there will be need for budget cuts. They look to be severe budget cuts in order to respond to the way this government is looking at dealing with the deficit which is the same way all Conservative and Liberal governments across the country have dealt with it, which is to attack the most vulnerable in society.

I think what we should do is slow down the speed. We should give those who support the least well off in society the opportunity to develop adequate—

**The Deputy Speaker:** I am sorry, the time is up. The Parliamentary Secretary to the Minister of Human Resources Development.

**Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development):** Mr. Speaker, Canadians know that programs introduced in the fifties and the sixties are no longer adequate. They simply do not meet the challenges that we as individual Canadians face in our society.

It is for this reason that the Liberal government under the leadership of the Minister of Human Resources Development on January 31 this year outlined a three stage process to bring about positive change in the lives of Canadians.

We are looking at the whole issue of child care, unemployment insurance, support for families, social services, social assistance and other forms of income support. This initiative is comprehensive in nature. It will through the redesigning of the programs give Canadians the type of social security system that they have been certainly calling for for decades.

This government has seen the need and certainly has the political will and courage to address those concerns. We will in the coming weeks be releasing an action plan which will provide direction and options for reform for Canadians.

This process will be extensive, open and will engage Canadians from coast to coast so that when we are speaking about modernizing, when we are speaking about restructuring Canada's social security system, when we are speaking about giving our young people, our older workers and the working population the types of skills required to face the challenges of the 21st century, Canadians will be given that by this government.

[*Translation*]

## UNEMPLOYMENT INSURANCE

**Mrs. Francine Lalonde (Mercier):** Thank you, Mr. Speaker. On March 25, I asked the Minister of Finance the following question, after reminding him that we had just learned that for the next two years, unemployment insurance cuts would amount to \$630 million a year in the maritimes, and \$535 million in Quebec. We do not know what they will be this year, and it

appears that Employment and Immigration does not know either.

My question was: Is the Minister of Finance prepared to defer cutbacks in the unemployment insurance system at least long enough to put in place a real job creation strategy to help the jobless find work instead of forcing them onto welfare? Six hundred and thirty million dollars a year in Atlantic Canada and \$535 million in Quebec, and I am not mentioning cuts in Ontario and western Canada because cuts in Quebec and the maritimes represent 60 per cent of the total whereas they only have 33 per cent of the Canadian population.

Such cuts will have a devastating impact on the economy and yet, the government went ahead and announced these cuts without further consideration. That is why I am asking today if it is prepared to defer its decision at least long enough for these cuts to be preceded by a real job creation program. I will keep on asking the same question as long as Bill C-17 has not been passed, hoping that the minister will change his mind.

(1830)

In the words of Alain Dubuc, a *La Presse* columnist with whom the Official Opposition does not always agree, "Finance Minister Axworthy is mistaken, because the cuts can be found in the budget. He is cutting before helping people". Not only is he going ahead with the cuts, he is targeting the regions which will be deprived of substantial sums of money. This money, when awarded, usually goes to pay rent, buy food and pay for goods which are not only essential to people's survival but also help keep the local economy humming.

Therefore, before depriving these regions whose industries have already been hard hit from a structural standpoint, why does the minister not postpone his decision so that a true program can be implemented, one that will restore hope. Hope is what the people want, but instead, the government has fostered a climate of despair.

[*English*]

**Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development):** Mr. Speaker, measures in the February 22 budget affecting the unemployment insurance program are intended first and foremost to protect the jobs of workers across Canada.

These changes will result in lower costs for Canadian employers, contributing to an increase in exports and helping Canadian products to offer stiffer competition to imports. In fact, the UI premium reduction will lead to the preservation or creation of some 40,000 jobs.

In addition and to clarify some of the statistics mentioned by the hon. member for Mercier, the impact of these changes will be distributed fairly across all regions of the country. Even after all budget measures are implemented, workers in Quebec will continue to receive more than 31 per cent of all UI benefits paid

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out in spite of the fact that Quebec only has one quarter of Canada's population.

In fact, last year Quebec received approximately \$1.5 billion more in UI benefits than it paid in UI premiums.

The member for Mercier implied that changes will have a significant impact on welfare numbers. In fact, most UI recipients go from UI to a job. Three quarters of all people on UI do not use all of the weeks of benefits to which they are legally entitled. Not many of the people who use up the UI end up on welfare. It has been estimated to be about 10 per cent of those who run out of UI or about 2 per cent of 3 per cent of all UI recipients.

## BILL C-91

**Mr. John Solomon (Regina—Lumsden):** Mr. Speaker, on May 3 last I asked the Minister of Industry if he would be waiting until after the Quebec election to repeal Bill C-91, the Drug Patent Act, or if he would act in the best interests of all Canadians who use prescription drugs and repeal Bill C-91 now.

This bill costs Canadians between \$1 billion and \$2 billion a year in extra drug costs.

In question period today the member for Laurier—Sainte-Marie asked the Prime Minister again if he would be reviewing the legislation. He claimed that any review of this legislation brought instability to Quebec. This accusation is of course outrageous in the context of his party's goal to break up Canada.

My sense is that the government will not do anything until after the Quebec election or even until after the referendum in 1995. Why is this government caving in to this pressure from the official opposition?

I was particularly shocked by the Prime Minister's response today when he said that the Minister of Industry would not review the legislation if he was satisfied that the pharmaceutical manufacturers were spending money on research. This is contradictory to comments made by the Minister of Industry in April. The minister stated at that time that a review was imminent. Why is this government now stalling? Why is there this disagreement?

I have a quote here from the *Kitchener—Waterloo Record* of Saturday, April 30, 1994 and I quote: "Foreign Affairs Minister Andre Ouellet admitted that this Bill C-91 will cost the country billions in higher pharmaceutical prices by granting 20 years of patent protection to brand name drugs". He is now saying: "We are not going to review it because we don't want to rock the boat".

(1835)

Bill C-91 has caused grief to Canadian consumers. There should be no further delays in repealing this legislation. We have some prescription drugs which have increased by up to 120 per cent since Bill C-91 was passed. Bloc members have made a great deal of noise about how upset they would be if the government made any changes to that bill. They voted in favour of the bill when it was passed in the House in the last session when they were Tories.

It is strange that Bloc members, who take pride about representing Quebecers, could be so out of touch with their constituents. In a recent survey conducted by the Canadian Drug Manufacturers Association, 79 per cent of drug consumers said that the costs of prescription drugs were too high. This is 16 per cent higher than the national average outside Quebec.

Many Liberal candidates including the Prime Minister and the Deputy Prime Minister campaigned on repealing Bill C-91. They knew that Canadians were angry at how expensive their drugs had become. They spoke about repealing the bill with respect to prescription drugs. They knew what Canadians wanted and now is the time to follow through on their promise. By delaying to make changes in this legislation is to say to Canadians that this is no longer a priority. It is a betrayal to Canadians. It is a flip-flop.

The Liberals are saying they are not serious about the issue. They are having second thoughts about making changes to Bill C-91. That would truly be dishonourable, if that were to be the case. However it is not much different from the former Tories: Liberal, Tory, same old story.

The Minister of Industry mentioned in his response to me that he was looking into the implications of changes to this bill under GATT. I remind the government there was a clause in GATT for "reasonable exceptions" under which the old system of compulsory licensing could be introduced. Canadians should not be surprised that the Liberals have a change of heart. After all, it is not the first time we have seen Liberals campaign on one side of an issue only to change their position later on after the campaign. For some people who have forgotten, NAFTA is an example, as is cruise missile testing.

**The Deputy Speaker:** I am sorry to interrupt but the member's four minutes are up.

**Mr. Dennis J. Mills (Parliamentary Secretary to Minister of Industry):** Mr. Speaker, I would like to begin by saying to the member for Regina—Lumsden that we are not running away from our election commitment. We are committed to reviewing this legislation. We are not having second thoughts.

I want to talk about the challenge we are facing to ensure the development of a strong pharmaceutical industry and to make patented drugs available to consumers at reasonable prices in a

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manner consistent with our international obligations under GATT and NAFTA.

Multinational pharmaceutical companies have committed to reaching an R and D sales ratio of 10 per cent by 1996. They have also made investment announcements now exceeding \$680 million for the 1992 to 1996 period. We want to ensure these commitments are realized.

On the price side, pharmaceutical companies cannot charge any price they want for patented medicines. Prices are regulated by the Patented Medicine Prices Review Board. The increase in prices of existing patented medicines from 1987 to 1992 average 2.9 per cent versus 4.2 per cent for the CPI.

Let me close by saying that the government is committed to both a strong economy and the needs of consumers. We are not running away from our election commitment.

[*Translation*]

## INDIAN AFFAIRS

**Mr. Claude Bachand (Saint-Jean):** Mr. Speaker, last week, on Wednesday, to be exact, I asked the Minister of Indian Affairs two questions about the forgotten people of Oka. Of course, the questions were based on a letter from the Kanesatake Chamber of Commerce written on April 26 to the Right Hon. Jean Chrétien, with copies to Lucien Bouchard, Claude Bachand and Ron Irwin.

In this letter, the president of the Chamber of Commerce mentions several irregularities, including the diversion of funds from the band council; that is, economic development funds were used for other purposes.

(1840)

In answer to the question I asked him, the minister said that he did not have the letter, which as I just told you was dated April 26. I would really like to have an answer concerning the allegations of diversion of funds.

The second question concerned the decline in economic development in the Kanesatake community. The Chamber of Commerce represents 80 per cent of the native businesses in Kanesatake and of course all the violence, insecurity and instability in Kanesatake have led to huge economic losses.

Naturally, all businesses are facing economic decline. On that subject, the minister reminded me that it was the previous government that had brought the army out, while this government was prepared to negotiate and was bringing natives from Kanesatake to Ottawa to deal with them. In that respect, I think the hon. minister is mistaken; economic development problems in Kanesatake are due to a greater extent to mismanagement on the part of the government.

Examples abound where it has become almost indecent to see how the federal government is washing its hands of an economic

situation created mainly by a small group of offenders known to everyone out there. The government must know who they are as well. So, what does the government do to solve the problem? Nothing at all.

Theft, vandalism and violence continue. It is no small task to go shopping in Kanesatake when you are greeted with machine gun fire and wonder if you are not in a western movie.

Unfortunately, reality in this case goes beyond fiction. Audio material show that night after night, there is non-stop shooting in Kanesatake. You do not have to think too long to figure out why businesses are on the decline.

People wonder what the government intends to do to curb this decline and why it does not take seriously the whole issue of public safety in Kanesatake.

Just yesterday two gas tanks blew up in Kanesatake; one in "la Pinède" in Oka, and the other one in Les Terrasses Raymond, with the result that the entire community had no sleep all night.

Every day violence breaks out. Even the children in the Kanesatake school have written the Chief to tell him this has to stop. This must be stopped because I think the children even said in their letter that they were afraid to ride their bikes and walk in the village.

People are unable to insure their homes and businesses. Mortgages are not being renewed because of the unstable climate, and nobody is doing anything. The government is acting with carelessness in this matter.

My question is this: Regarding the alleged misappropriation of funds, what is the government doing to correct the situation and, regarding economic development, what concrete measures does the government intend to take to restore public safety in Kanesatake and give businesses the help they expect from their government to overcome this crisis once and for all?

[*English*]

**Mr. Maurizio Bevilacqua (Parliamentary Secretary to Minister of Human Resources Development):** Mr. Speaker, I am pleased to respond to the question raised on May 4 by the hon. member for Saint-Jean regarding the letter sent by Roger Simon, chairman of the Kanesatake chamber of commerce, dated April 26.

Mr. Simon is blaming the carelessness of the federal government particularly for the collapse of native businesses and for the alleged misappropriation of federal subsidies by the band council in an unstable situation where public security is concerned.

Public security in the Oka-Kanesatake area is the responsibility of le ministère de la sécurité publique du Québec. It is la sûreté du Québec that provides security services to all residents of this area.

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The Minister of Indian Affairs and Northern Development met on several occasions with Grand Chief Peltier to discuss properties bought by the federal government since the Oka crisis of 1990. These discussions were conducted in order to establish a unified land base.

The minister has proposed various solutions in order to settle the transfer of properties to the Mohawk Council of Kanesatake. This is a very complex file. It remains a priority and requires a mutually acceptable solution to all parties involved.

Regarding the alleged misappropriation of economic development funds, the band has flexibility to manage the funds according to the agreement signed with the Department of Indian Affairs and Northern Development. The Department of

Indian Affairs and Northern Development does not interfere with the day to day business of a band's operations. Such interference would be paternalistic. Band councils and chiefs are accountable to the band members who elect them.

Those economic development funds are included in the recovery plans signed between the Department of Indian Affairs and Northern Development and the Mohawk Council of Kanesatake last January.

**The Deputy Speaker:** It being 6.45 p.m. pursuant to the order made earlier this day the House stands adjourned until tomorrow at 10 a.m. pursuant to Standing Order 24.

(The House adjourned at 6.44 p.m.)

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