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Thursday, May 18, 1995

Speaker: The Honourable Gilbert Parent

HOUSE OF COMMONS

Thursday, May 18, 1995

The House met at 10 a.m.

Prayers

[*English*]

PRIVILEGE

STANDING COMMITTEE ON HUMAN RIGHTS AND THE STATUS OF
DISABLED PERSONS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, I rise on a question of privilege today because I feel my privileges as a member of Parliament were severely breached during committee proceedings last night.

As the House knows, the Standing Committee on Human Rights and the Status of Disabled Persons was considering, clause by clause, Bill C-64, an act respecting employment equity. During debate on clause by clause my first amendment was ruled inadmissible by the chairman, the hon. member for Winnipeg North, on the grounds that it was only available in English.

As you know, Mr. Speaker, the rules of Parliament state that a member may move an amendment in the language of his or her choice. This happens all the time. No notice is required and the onus is on the chairman and the clerk of the committee to provide the translation to members of the committee if needed.

The chairman's ruling was immediately challenged by members of my party but overruled by the rest of the committee. In supporting a ruling on a matter over which the committee had no authority in the first place, the committee breached my right as a member of Parliament to move amendments to a very significant piece of legislation.

(1015)

I approached the chairman and the clerk to try to obtain an explanation of this obvious breach of my privilege. In a questionable justification of his ruling, the chairman explained his actions in an inconsistent manner, ruling my amendments out of order because I was "not a member in good standing of the committee", which the clerk immediately refuted. I was a member in good standing.

The chairman's subsequent behaviour was reprehensible. Legitimate motions were tabled and immediately ruled out of order. Debate was cut off. The questioning of witnesses was curbed. The list goes on and on. On more than one occasion we were put in a position to challenge the ruling of the chairman. I believe the record, upon review, will speak for itself.

As an example, the committee had agreed to adjourn at midnight. I brought to the attention of the chair that midnight had come and gone and he continued with the next motion. At the end of that motion, which was voted and carried by the government side, I again brought it up that it was past midnight, according to our previous agreement, and they passed a motion without a vote.

I recognize that committees are masters of their own destiny, but democracy must prevail. I will quote from Speaker Fraser in his ruling of 1987, which states:

It is essential to our democratic system that controversial issues should be debated at reasonable length so that every reasonable opportunity shall be available to hear the arguments pro and con and that reasonable delaying tactics should be permissible to enable opponents of a measure to enlist public support for their point of view.

Despite this, the members of the committee then proceeded to move time allocation, restricting the debate to five minutes per clause, and this after two hours of committee proceedings. Five total minutes was given for all parties on this clause by clause.

This is totally unacceptable. There were clauses last night on which not only was I not allowed to move an amendment, I was not allowed to utter one word of debate. I cannot do my job as a member of Parliament if I am not allowed to move amendments and debate amendments. It is just absolutely unacceptable. I do not know what I can do. I am a bit beside myself.

In his conduct last night, the chairman of the committee, the hon. member for Winnipeg North, overstepped his authority.

I ask, Mr. Speaker, that you rule on this very important matter and you suspend clause by clause consideration until such time as you do rule, because the committee sits as we speak. I am at your mercy. I know not what to do. I cannot speak and I cannot move amendments. I give up.

An hon. member: No, don't give up.

Mr. Strahl: No, I do not give up.

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Mr. Don Boudria (Glengarry—Prescott—Russell, Lib.): Mr. Speaker, I know at least one other member wants to address this representation, there is a point of privilege.

The first thing I want to submit to the House is that the committee has not yet reported. As per the conventions of this House, if a committee has not yet reported the House is in no position to rule as to whether or not there has been a prima facie case of privilege.

Notwithstanding that, even if the committee had reported to the House, the committee itself would be the master of its own business pursuant to the rules this House has established for the committee.

Mr. Strahl: Do you call that democracy?

Mr. Boudria: Standing Order 108 and other standing orders of this House are clear in that regard. Therefore, it is my submission that the chair should not be ruling on this at this time. However, in the unlikely event that the chair does decide to rule on this issue at this time, I want to make representation to the Speaker in regard to the substance of the alleged point of privilege.

First, there has been an allegation made today that there was some sort of an attempt to prevent the member from speaking on and studying this bill thoroughly. This bill has been the subject of study for five months. Yesterday alone, the committee sat for over six hours and adjourned at 12.05 this morning. This hardly sounds like an attempt by anyone to stifle debate.

(1020)

The next thing that is important to add at this point is that yes, it is true that an hon. member of the committee did propose to limit the time of debate per motion. That was not a government attempt. It was a member of the opposition. Therefore an accusation that the government is trying to stifle the opposition would not be totally accurate. In fact, the motion in question, which duly carried, was proposed by an opposition member and carried by the committee as a whole.

On the issue of the motions, it should be noted that there were a number of amendments proposed yesterday. As a matter of fact, I am told that some 40 amendments had been proposed prior to the committee sitting yesterday. And yesterday amendments in a stack several times thicker than the original bill were proposed by one member.

At the first occasion on which the amendments were proposed, the member in question was not a duly signed member of the committee. Therefore all the amendments he proposed were out of order because the member had no standing before the committee. Later on the member was afforded an opportunity to become a duly signed member of the committee as per our rules.

In other words, his whip signed him in. I understand at that point he was able to move the amendments.

If I can speak to the issue of the amendments and the language for a moment, it is true of course that the House and its committees have permitted and will permit an amendment to be produced in only one of the two official languages. We have done that before. But it is equally true that a substantial document of the House must be, not only because of the Standing Orders but because of elementary courtesy, produced in both official languages, because our rules make it such and simply because of the volume, in order to enable all members to participate.

May I suggest that when someone moves a stack of amendments several times thicker than the bill itself, that rule then must apply as well. In other words, several hundreds or dozens of amendments should be translated, again in order to accommodate all members of the House to participate. It is not a matter of one or two amendments where one member can listen to the interpretation system and hear the three or four words proposed to be amended. We are talking here of hundreds and perhaps thousands of words being amended in a particular bill. That courtesy was judged by the chair of the committee to be essential to the good functioning of the committee and ultimately of the House.

I am told the chair did rule as well that some, if not a large number, of the amendments were not substantive but were dilatory in nature and nothing else. I am told, as an example, that someone wanted to exempt people working in restaurants from being obliged to hire people of different ethnicities and so on. Mr. Speaker, you have already recognized that is not even in the area of federal jurisdiction. An amendment such as that and several others, according to the committee, had little or no purpose other than to stall the process of the committee after five months of deliberations and six hours of sitting in one day. The purpose was not at all to amend the bill.

Finally, the committee did adjourn nominally at five minutes past midnight. That was invoked as part of the alleged point of privilege. The House will know that adjourning five minutes later than the usual time when there is general agreement on the committee is not exactly something unprecedented in order to complete the business before the committee.

(1025)

After three hours of debate on one clause of the bill the committee judged it was for the betterment of the committee that a time limit of five minutes per clause was appropriate. The committee decided that by virtually unanimous consent, with the exception of one or two members. The committee did make that decision with full democratic principles in mind, as it had the wisdom and the right to do.

The committee has not yet reported to this House. When it does report to the House, any member who was not a member of the committee—as is the case of the hon. member who proposed the amendments initially—is perfectly in order to produce amendments again at report stage, if the Speaker and his very able staff determine the amendments are in order.

Therefore, in my view there is no point of privilege. Even if the points raised by the hon. member were valid—and I submit they are not—this would not constitute a point of privilege now but only at a later date.

I believe hon. members worked very hard on that committee. I know the hon. member for Hochelaga—Maisonneuve and several other members have worked very hard. They stayed up very late last night to continue the work after five months of deliberation.

Perhaps some people are not in agreement with the bill. That will not change by invoking points of privilege in this House, which are not really points of privilege at all, and even if they had been, they were not invoked at the appropriate time. I submit the chair of the committee ruled properly with the able advice of his clerk and staff, and did make the committee function to advance the legislation before the committee, as is the role of the chair. He did nothing different from the usual work of a committee chair. I am sure I speak on behalf of most members of this House when I say he is an outstanding committee chair.

[*Translation*]

Mr. Réal Ménard (Hochelaga—Maisonneuve, BQ): Mr. Speaker, may I add two clarifications so that my colleague will not keep the chair in the dark about certain facts. In accordance with common practice, the hon. member for Fraser Valley East was allowed to introduce unilingual amendments during proceedings.

You should know that as soon as we started our proceedings, the committee clerk asked all participants several times to hand over their amendments, so that they could be translated and made available in both languages. What is at issue here is that, at the start of the proceedings, my colleague from Fraser Valley East was tempted to table some 30, if not more, amendments. Given this pile of amendments, we in the official opposition asked that they not be considered, since one basic element of the rules adopted by the Subcommittee on Agenda and Procedure is that all documents and amendments tabled during proceedings must be available in both languages.

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I should point out to you that the Reform Party has representation on the Sub-committee on Agenda and Procedure. They supported these rules and I am concerned about the hon. member for Fraser Valley East's lack of courtesy and respect for francophones. I wish to draw your attention to the fact that I mentioned during proceedings that—again, in accordance with common practice—we agreed to let the hon. member for Fraser Valley East introduce handwritten unilingual amendments.

You should know that we have always tried to co-operate and that the hon. member is quite brazen, to say the least, in claiming that his remarks were cut off, as a look at the time allocated shows that the hon. member for Fraser Valley East took up between 80 and 90 per cent of the time available for debate. It is only after a two hour filibuster based not on content but on form that we felt the need for consent, as part of committee proceedings, to suggest to the chairman that we should be able to call for a vote after spending five minutes on each clause under consideration.

(1030)

In a fit of generosity, the chairman proposed that 15 minutes be allocated, and you may be surprised to hear that my colleague from the Reform Party was opposed.

So I am counting on the Chair to hand down a ruling that will respect the rights of francophones in this country.

[*English*]

The Speaker: The hon. member for Fraser Valley East on the same point of privilege. I would ask the hon. member please to make his intervention at this point fairly brief.

Mr. Strahl: Mr. Speaker, it is important to clarify several facts, as the Speaker was not able to be at our committee last night.

One thing is that the member who made the intervention from the government side was not there either, but he may have been fed some wrong information.

Originally I sat at the committee table and proposed a motion about calling more witnesses. It had nothing to do with clause by clause. At that time it was pointed out to me that I had not submitted my form to the clerk about being a member of the committee. I immediately gave the sheet to the clerk of the committee and to the chair so that I could take part in the clause by clause voting.

After I had submitted my proper documentation to the clerk, and I am sure the Speaker will check with the clerk on this, then I moved my amendments. They were then ruled out of order and tossed away. I asked for them back and could not get them. I could not even get them. I had a stack of amendments. All of them were taken and they went into a black hole or wherever they go.

We were not restricted to five minutes per motion which would have been bad enough. It was five minutes per clause.

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Even the government side had as many as three or four amendments per clause which were read out with an explanation and that was considered the total debate. It was not per motion, per amendment, or per subamendment. It was per clause. We passed entire sections, sometimes running an entire typewritten page in the bill, without a word of debate.

It cannot go on, Mr. Speaker. It is going on right now. Clauses are being passed without debate. You cannot allow that. I do not know what to do. I could go back there and stomp on the table, but they are just passing clause after clause without debate. It cannot continue.

My final point is it is interesting that the member mentioned that the committee did adjourn at 12.05 a.m. which is an admission that it did go past the hour of adjournment, not that it was not pointed out to the chairman. I brought attention to it in two different points of order that we had agreed to stop at midnight. The chair said we must continue with it. Another amendment was passed. I said that it was now really past midnight, it was five minutes after midnight. I said that I could not see that we could proceed. The chair hit the hammer and passed the amendment without even a vote. The amendment was passed without a vote.

How can you pass an amendment without a vote? You cannot do it. To say that this is somehow speeding up the procedure, I guess it is. Speeding up procedure does not involve trampling on the rights of members of Parliament who want to debate the clauses and have the right to bring amendments in both official languages. If members on the government side think they are appealing to some unknown masses out there by running roughshod over the rights of members of Parliament who have the privilege of bringing forward concerns from their constituents, it is hypocrisy, it is dictatorship, it is despotism and it is out of order.

The Speaker: Order. Colleagues, I have listened to this question of privilege. I think I have enough information. I am starting to get the complete drift of what went on.

Hon. members from time to time become frustrated in their work because things are not going one way or another. That is understandable. That is about par for being here in this place. Things do not always go the way we want them to go. I want to point out some of the similarities that hon. members have brought to the attention of the Chair.

(1035)

The hon. member for Fraser Valley East said in his opening statements that indeed the committee is master of its own destiny. The reason for that is that with all of the standing committees that we have, if we had appeals from the committees

to the House then the time of the House would be taken up with these appeals.

Speaker Fraser in an earlier ruling has indeed said that there are exceptions to everything. From what I have heard here today, it would seem to me that the committee which is master of its own destiny by a democratic way of coming about it has decided to proceed in a particular way. If one, two or five members disagree, again the disagreement is noted.

When a member asks the Chair to make a ruling, as an overwhelming rule the Chair has always waited for a report to come from the committee to the House. In this report the grievance that was brought up, if the committee decides to report it, would be brought to the House.

Here, all of us together would have a chance to look at it and make a decision as the House because we, the House, are masters of our destiny. Speakers in the past most of the time have given great latitude to committees because of the far reaching importance of the work they are doing and have waited for them to come to the House.

It is my decision at this point that I do not have a report from the committee in front of me. Therefore, I do not want to make a ruling until the committee as a body brings this report up. It could be that the hon. member will have a question of privilege to bring up at a future time. I do not discount that but it would seem to me that at this time I would rule that there is no question of privilege.

Mr. Hermanson: Mr. Speaker, on the same question of privilege but in a different vein—

The Speaker: Order. I have ruled on the question of privilege. That question of privilege is now put to one side. If the hon. member has another question of privilege that he wants to bring up I will listen to it, but if it is on the same question of privilege I beg the House to accept the ruling of its Speaker.

Mr. Elwin Hermanson (Kindersley—Lloydminster, Ref.): Mr. Speaker, I guess I need some clarification from you on one instance.

I want to bring forward another very important issue. First of all my understanding of the standing orders is that a question of privilege must be brought forward at the first opportunity. How can we justify saying we have to wait until a report is given before a member can put forth a question of privilege when he at the same time must put forth a question of privilege at the first opportunity?

My hon. colleague has brought forward what is a very legitimate question of privilege at his very first opportunity. I appeal to you on that basis.

The other thing I would like to bring to your attention is that there are changes in the standing orders. This is the first Parliament in which these changes have been implemented. It may mean that a new precedent is being established and it may be very important for you to play a role in establishing a proper precedent.

When bills are submitted to committee prior to second reading, this House forgoes second reading debate. The House is sacrificing an opportunity to debate in the House so that would happen in committee. There are 180 minutes permitted of debate on a motion to submit the bill to committee prior to second reading. There really is no second reading debate. The vote on second reading is held without debate.

Therefore, it is very important that a precedent be established to allow proper debate at second reading. The spirit of the agreement to change the standing orders was so that amendments could be brought forward at committee and that proper time could be taken to deal with the clause by clause study.

(1040)

Mr. Speaker, on that basis I ask you to consider very carefully what precedent is being established here, whether or not the rights of members are protected under the standing orders as they now stand in light of this new procedure. I think it is very critical and may be repeated many times in the future in the House and in committee. I just want to make it very clear that we are concerned.

The Speaker: I would accept the intervention as a point of clarification.

Your Speaker is guided at all times by the rules decided upon by this House. If a member has a grievance, the member could appeal to the Speaker for clarification, if you will, but there are other avenues that a member can take for doing the same thing. Perhaps the member would want to bring it forth with the committee on rules and procedures.

However, for your Speaker today, in this particular instance that was brought forward, I have listened to all interventions and in my view there is not a question of privilege. A point of privilege might be brought forward in the committee itself. Who am I to tell members how they should go about their business?

As I am thinking here, I do not know that this was brought forth as a point of privilege in committee. I do not know that. All I know is what the members here have brought in front of me. On the basis of what members have said here today in this House, then I would rule that there is no point of privilege.

* * *

[Translation]

COMMITTEES OF THE HOUSE

PUBLIC ACCOUNTS

Mr. Richard Bélisle (La Prairie, BQ): Madam Speaker, I have the honour to present the 10th report of the Standing Committee on Public Accounts. When the Auditor General of Canada tabled his report in February 1994, the issue of pension

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overpayments, which reached between \$120 million and \$200 million, in the auditor general's estimation, was raised repeatedly.

For the committee, behind the figures lay a more important issue: the department's ability to efficiently manage pension programs. This prompted the committee to meet twice with senior officials of Human Resources Development Canada and the Office of the Auditor General of Canada.

In this report, the Standing Committee on Public Accounts makes a number of recommendations, which, for the most part, have an implementation deadline. The dissenting opinion of the hon. members of Chicoutimi and Joliette is appended to the report.

Pursuant to Standing Order 109, the committee requests that the government table a comprehensive response to this report.

* * *

[English]

CANADIAN WHEAT BOARD ACT

Hon. Alfonso Gagliano (for Minister of Agriculture and Agri-Food, Lib.) moved for leave to introduce Bill C-92, an act to amend the Canadian Wheat Board Act.

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

* * *

(1045)

[Translation]

UNEMPLOYMENT INSURANCE ACT

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ) moved for leave to introduce Bill C-328, an act to amend the Unemployment Insurance Act.

He said: Madam Speaker, the purpose of this bill is to transfer from the Department of National Revenue to the Department of Human Resources Development the responsibility for assessing job insurability under the Unemployment Insurance Program. There are several advantages to doing this. We believe that the larger number of points of service maintained by the Department of Human Resources Development could mean much shorter processing times.

Also, there will be a better understanding of the case at hand, since files will be processed locally by individuals who will then be in a better position to assess particular circumstances. I think this will help develop a fairer rule of construction. That is, at any rate, the spirit in which I table this bill.

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

Supply

[English]

PETITIONS

SOCIAL PROGRAMS

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, it is a privilege to present a petition on behalf of a number of residents of the city of Kamloops who point out the social programs of Canada form the very fabric of our country and define us as a civilized and compassionate nation.

The petitioners point out the struggle to build universal health care, old age security and other valued institutions is a proud part of our heritage. Consequently they are petitioning the federal government to maintain and enhance these social programs, the right and heritage of Canadians.

MINING

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, I have the honour to present a very extensive petition on another matter. The petitioners from Logan Lake, British Columbia, point out all the benefits mining provides to Canada, particularly in our trade balance. Therefore they call on Parliament to take action that will see employment in this sector increase, promote exploration and rebuild Canada's mineral reserves to sustain mining communities and keep mining in Canada.

JUSTICE

Mr. Nelson Riis (Kamloops, NDP): Madam Speaker, I present a petition signed by a number of residents from throughout central British Columbia who point out that Canadians, particularly women and children, are becoming increasingly fearful of walking our streets in our neighbourhoods. They believe many violent offenders and sex offenders are being paroled prematurely or are being released without proper treatment or rehabilitation.

They point out a number of concerns and therefore call on the House of Commons and the Minister of Justice to take whatever steps deemed necessary to amend Canada's Criminal Code and parole system to ensure safety and peace in Canadian neighbourhoods.

* * *

[Translation]

QUESTIONS ON THE ORDER PAPER

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Madam Speaker, I suggest that all questions be allowed to stand.

The Acting Speaker (Mrs. Maheu): Is that agreed?

Some hon. members: Agreed.

GOVERNMENT ORDERS

(1050)

[Translation]

SUPPLY

ALLOTTED DAY—QUEBEC'S FINANCIAL DEMANDS

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ) moved:

That this House deplore the federal government's delay in responding to Quebec's demands with regard to the education of young Aboriginals in the Quebec North amounting to \$199 million, to the compensation of \$135 million under the 1991-92 stabilization program and to the \$79 million claim for expenses incurred during the events at Oka in the summer of 1990.

He said: Madam Speaker, I thank you for this opportunity to discuss the motion. Before getting into the thick of things, I also want to thank my leader, the Leader of the Opposition, for asking me to table this opposition day motion. It is a sign of trust to have been asked to be the first one to speak on this motion, which gives an eloquent example of the way the federal system works.

In the next 20 minutes or so, I want to explain why the official opposition tabled this motion today, and also what that motion means. Indeed, what are we talking about when we refer to the three issues mentioned in the motion, namely the claim for expenses incurred during the events at Oka, the refund of education costs for young aboriginals, particularly in the Cree territory located in Northern Quebec, as well as the payments under the stabilization program.

I will try to explain not only the costs related to these claims, which are estimated at over \$330 million, but also the costs related to this whole operation. This is why I said at the outset that this motion—and this is why we are tabling it today—very clear shows the flaws of the Canadian federal system.

Sovereignists are often criticized on the grounds that they only rise in this House to claim more and more rights for Quebec. Indeed, we often hear the argument, from Liberal as well as Reform members, to the effect that Bloc members are always trying to get more for the Quebec government. The same comment is also made regarding the Parti Québécois government by our federalist friends.

This motion shows to what extent—I am not sure if I should use the word “normal”—traditional federalism is flawed. I would even go so far as to say that, in this specific case, federalism works against Quebec's interests.

Mr. Milliken: Oh, oh.

Supply

Mr. Bernier (Mégantic—Compton—Stanstead): If the hon. member for Kingston and the Islands gives me a moment, I will try to convince him, assuming this is possible, of the appropriateness of my comments.

In fact, the \$330 million claim of the Quebec government was presented and renewed by Quebec's intergovernmental affairs minister, Louise Beaudoin, this week, here in Ottawa, when she met with her federal counterpart to claim something that, in one particular case, has been owing for more than ten years.

The motion refers to three issues. The first one is the expenses incurred during the events at Oka, in the summer of 1990. Everyone remembers what happened then, particularly these days, when there is a risk that these events could be repeated, because of some aboriginal people in Oka.

(1055)

We all remember that, in 1990, the Quebec government was faced with enormous costs for public safety, or for law enforcement, as a result of the crisis in Oka and Kanesatake that I mentioned a moment ago. Of course, given that public safety was at stake, and that the crisis related to the native issue, which is under federal jurisdiction, it was totally appropriate for Quebec to ask the Canadian government to pay the additional amounts associated with the need to call in the Quebec provincial police.

A request for payment of \$84 million was submitted. An amount of \$5.3 million has already been reimbursed by the federal government, which leaves approximately \$79 million still to be paid. The crisis goes back to 1990, but the bill remains unsettled. How did our politicians react to the request for payment, when a federalist government was in power in Quebec, during Mr. Bourassa's, and then Mr. Johnson's Liberal governments? What was the federal politicians' answer to the Quebec government? In September 1993, the Minister of National Defence in the former government refused to reimburse the total amount requested, following the Oka crisis, because these events, he claimed, resulted from a situation related to public order, not public good.

Such a position is totally ridiculous, and I submit that the present government, through its critics, is still making that claim. This is utterly ridiculous. I ask the Minister of Intergovernmental Affairs, the Minister of National Defence, the Minister of Justice and the whole government to talk to the people of Kanesatake and Oka, to check if their well-being was not affected during those events. The government should be ashamed of using such a ridiculous argument, and realize that this issue must be settled right away.

A second issue deals with the education of young aboriginals in northern Quebec. This is a claim made under a federal-provincial agreement signed under the James Bay Agreement, which provided that the Quebec government and the federal

government would pay the costs relating to the education of young natives, especially the young Crees of northern Quebec.

There is an outstanding account in the order of \$119 million, the payment of which has been demanded for nearly 10 years now by successive Quebec governments and, I repeat, governments of federalist allegiance.

(1100)

I do not think any member opposite can deny that the Bourassa government wanted to get an agreement with the federal government at any cost.

If the Minister of Intergovernmental Affairs has any doubt about that, he should confer with his colleague from Outremont, who was a member of the Bourassa government and made the same demands when she was the Minister of Education.

I repeat that, under a federal-provincial agreement, both levels of government share the costs of education of young Crees. But the population has increased, more young Crees have registered for several courses or have decided to take more training, so that costs have been higher than forecasted. The federal government's position is that those claims are not justified, and that it has not been consulted. Therefore, it refuses to pay the claim for \$119 million submitted by the Quebec government.

At a time when the federal government's intention to set national standards concerning shared costs program such as post-secondary education and health is being discussed in this House, we should take a hard look at these issues. When we realize that agreements signed by both levels of government are not being complied with in day to day operations, are we to understand that the federal government will set its so-called national standards each and every time the Quebec government asks the federal government to assume its financial responsibilities? Will Quebec get the same kind of response: that the federal government was not consulted on each and every one of those expenses, that all the invoices have not been provided, and that a thorough examination is in order before any amount is reimbursed to the Quebec government?

Let me remind the House that the Minister of Intergovernmental Affairs' answer was that he will ask his officials to meet with those of the Quebec government in order to study the whole issue more thoroughly. The issue has been dragging on for ten years already. They are saying, in fact, that they will take the time they need, that they are in no hurry. As the minister said again this week: "I do not want to raise the hopes of Quebec politicians by implying that this issue can be easily settled". No, no and no, these things must take time. We have to ask our officials to meet, to discuss, to chat, in order to try to come to an understanding over an agreement signed—this bears repeating—more than 15 years ago.

Supply

The last demand involves compensation of \$137 million demanded not only by Quebec's current government but also by its previous governments. I repeat, these are not new demands brought forward by the current government of Quebec, Mr. Parizeau's government. These demands were first made 10, 5 and 3 years ago by the previous federalist Liberal government.

Stabilization payments are made under a very complex program that I will not even try to explain to you because I cannot make head or tail of it myself, but the program is designed to restore some kind of fairness in terms of the expenses the provinces must incur to fulfil their own responsibilities. The federal government has committed itself to review each province's tax revenues and to compensate provinces whose tax revenues are lower than expected for various economic reasons or because of the economic situation. The government seeks to stabilize provincial revenues through this program, which it set up on its own initiative.

(1105)

Twice, the Quebec government asked for compensation and twice its demands were turned down by the federal government. The last time that demand was made by the current Minister of Finance in Quebec, the federal Minister of Finance replied: "If you want to get compensation to the tune of \$137 million under the stabilization program, your only option is to take us to court".

After hearing all about progressive federalism, or progressive status quo as our colleagues opposite like to call it, now we have courtroom federalism. In other words, when we want the federal government to respect programs it has introduced, we have to go to court to obtain justice. It is the new way of doing things of the Minister of Intergovernmental Affairs and the Minister of Finance, who say: "Let us go to court".

With all due respect, this reminds me of what a Quebec humorist, père Gédéon, not to mention any names, used to say: "We will go to court even if we lose, and we will go all the way to the Supreme Court". The Liberal government's attitude is somewhat similar. It admits that it owes money to the Quebec government, but to drag things out, to make sure the matter takes years to settle, it says to the Government of Quebec: "Go to court".

In conclusion, I mentioned at the beginning of my speech that this was a good example of the way federalism operates. I also said that I wished to underline the costs that this entails. We are speaking, of course, about a justified and recognized claim. The government's officials acknowledged that the amounts mentioned are correct.

Can anyone imagine the human and financial costs generated by all these discussions on these three simple claims?

Mr. Cauchon: It is fear mongering.

Mr. Bernier (Mégantic—Compton—Stanstead): Do we know how many civil servants, and the member for Outremont could perhaps look into this, at the federal as well as the provincial level, met, talked on the phone, exchanged letters and piles of documents? All these costs for the taxpayer must be added to the claim of \$333 million.

If we had this money, if Quebecers could realize the enormous costs of federalism, I am convinced that they would at once choose to become sovereign. They would do it because the day we are able to assume our own responsibilities, the day we are able to make our own decisions concerning our collective future, we will not have to listen to the Minister of Intergovernmental Affairs say to us: "Go to court; let us ask our civil servants to get together". We will be able to make our decisions, and this is what the motion tabled by the official opposition is all about.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Madam Speaker, I listened very carefully to the last speaker. Unfortunately, I did not sense in his speech the real human dimension of the problem faced by natives in Quebec and, let us be frank, in all areas of Canada.

The debate revolves around a ten-year old dispute between Quebec and the federal government. And I would point out that the federal government has already paid out a considerable amount of money.

However, I will leave it to my colleagues on this side to make speeches that will undoubtedly be brilliant and informative for the opposition.

(1110)

What I find unfortunate in the statements of the opposition is the fact that they did not speak about the social, human and economic situation in which Quebec's natives live. I think that it would have been more humble, more humane for the opposition to focus more on the means of helping these people to improve their lot. This has been a point of contention for several years now.

I remember that in 1981, under the PQ government, 1,000 police officers invaded—that is the word, invaded—the Restigouche reserve. That was unfortunate and I think that that is when the relations between natives and Quebecers began to deteriorate. I believe that we do not do enough for natives. I think that we should encourage dialogue instead of resorting to fear mongering, threats and statements like: "If it had been up to Quebec, we would have solved the problem long ago".

Supply

I ask the official opposition to make a proper evaluation of the situation and not to confuse the issue with sovereignty and with the upcoming referendum debate. I think that the first step should be to consider the economic and social situation of Quebec's natives as well as their problems. I think that that should be the real subject of the debate. It is not a money issue, but a human issue that we should address in a co-operative fashion.

Mr. Bernier (Mégantic—Compton—Stanstead): Madam Speaker, I thank my colleague for his remarks, but I feel compelled to remind him of certain facts. I do not want to give him a history lesson, but I think that there is no relationship whatsoever between the events in Restigouche and the matter we are discussing today. I am sure that, if my colleague takes the time to consult his history book, he will recognize that these two matters are not related.

However, I agree with him when he talks about the need to deal with the real problems facing native populations. I wish the member for Bonaventure—Îles-de-la-Madeleine would convince his colleagues to adopt a similar position because, in recent years, it is exactly what every Quebec government, whether federalist or sovereigntist, has done in relation to the James Bay agreement, especially in relation to the matter we are debating, that is the \$119 million claim for the education of young natives in northern Quebec.

The government of Quebec has striven to offer quality services to native people and to meet their needs, which means that when there is an increase in the clientele, there must be an increase in spending on health care or education, as is the case here. That is what the government of Quebec has done over the past ten years, and it is the federal government which has been tight fisted with its money. If the government of Quebec had waited for the federal government to honour its commitments, natives in the north would never have had the level of services they are getting today, thanks to the Quebec government.

So the point raised by my colleague for Bonaventure—Îles-de-la-Madeleine is most interesting. I ask him to convince the Minister of Intergovernmental Affairs and the Minister of Finance to contact the Quebec Minister of Intergovernmental Affairs immediately to settle the issue. We agree on this. Quality services have been delivered and now the time has come to pay the bill. Unfortunately, the Minister of Intergovernmental Affairs will do the same thing he did in the case of the Charlottetown referendum in 1992: he will first lose face, then he will change his mind and agree that he must reimburse the government of Quebec.

(1115)

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Madam Speaker, if we are going to talk about

amounts, it should not be forgotten that the federal government paid out close to \$450 million for Northern Quebec natives.

However, I would have another question. The point has been raised of Quebec's historic dispute with the federal government over the last ten years. We were not in power during this period, but I know that a certain Leader of the Opposition, here today, was a member of that government.

Yesterday, in fact, we learned, because we asked the question, that he was never aware, at the time, of the claims that were made by the province of Quebec. It is regrettable that the least fortunate members of society are being used to generate propaganda, to engage in grandstanding, as well as to promote sovereignty and independence at whatever cost.

I would like to ask the Leader of the Opposition where he has been for the last ten years and why he did not, when he was a member of the government in power, do something about the Quebec government's claim?

Mr. Bernier (Mégantic—Compton—Stanstead): Madam Speaker, I hope that we are not going to spend the entire day listening to this sort of nonsense. It just shows how few arguments the government can find to reject the legitimate demands of the government of Quebec. Responding with references to the former government, and specifically to the Leader of the Official Opposition, who was a member of that government over six years ago—having left it before the Oka crisis—shows, in my opinion, just how few arguments they can muster.

I hope that the Minister of Intergovernmental Affairs will come up with something more serious. As someone familiar with the workings of federalism, surely he will be able to convince us, with copious arguments, that he is right, without spouting the sort of nonsense we have just heard.

Hon. Marcel Massé (President of the Queen's Privy Council for Canada, Minister of Intergovernmental Affairs and Minister responsible for Public Service Renewal, Lib.): Madam Speaker, I will vote against the motion presented by the hon. member for Mégantic—Compton—Stanstead, for a very simple reason.

The federal government is not late in making the payments referred to by the hon. member, and this includes Quebec's demands with regard to the education of young Aboriginals in the Quebec North, compensation under the 1991-92 Stabilization Program and the claim for expenses incurred during the events at Oka.

Perhaps the hon. member will withdraw his motion after hearing the government's point of view. In fact, if Quebec's demands were so legitimate, I think, with all due respect for the hon. member for Mégantic—Compton—Stanstead, that his leader, the hon. member for Lac-Saint-Jean, would have presented the motion himself.

Supply

Monday I had a chance to discuss the matter with Mrs. Louise Beaudoin. It was a cordial meeting during which we reviewed the cases mentioned in the opposition motion and discussed the mechanisms available to us to deal with these matters.

[English]

Madam Speaker, Mrs. Beaudoin and I met earlier this week to discuss these matters. Our meeting was productive and focused on the substance of the issues and on finding ways to solve these issues in the best interest of Canadian taxpayers.

[Translation]

We both agreed to continue discussions on these matters through existing mechanisms. We both agreed to make every effort to find the right solutions without wasting any time.

(1120)

In the process, I want to ensure that the outcome is fair to both parties, including Canadian taxpayers.

I will be brief, but I will take the time to explain the government's position on each of the demands mentioned in the motion. First, the claim for expenses incurred during the events at Oka. Quebec submitted a bill for \$130 million under the disaster financial assistance agreements and estimated the federal government's contribution at \$84 million.

The federal government found that only \$5.3 million seemed to meet the criteria for this program. The rest of Quebec's claim was not, in our view, covered by the program. We were not convinced it was up to the federal government to pay the cost of overtime—this is an understatement—accommodation and transportation for officers of the Quebec Police Force, for which the Quebec government was claiming \$58 million.

I may recall that at the time the federal government had, at the specific request of the Quebec government, provided the services of the Canadian Armed Forces. In fact, federal expenses incurred by the use of the Canadian Forces at Oka totalled \$122 million.

Expenses covered under another program are not eligible, which explains why the Auditor General has been asked to take a very close look at Quebec's expenses. In other words, there are regulations that determine which expenses are eligible and which are not. In this case, considering additional claims made by the Province of Quebec which, we feel, are unjustified, we asked the Auditor General, a third party who enjoys credibility among all Canadians, including Quebecers, to check Quebec's additional claims.

We are hesitant to pay the bills submitted by the Government of Quebec, not out of meanness, but because our goal is to be rigorous and fair in administering the public purse. Mrs. Beaudoin mentioned that the funds claimed are for Quebecers;

however, our responsibility is to manage funds for all of Canada's taxpayers, including Quebecers, and that entails ensuring that the bills submitted to us are justified.

That is why we called on the auditor general, from whom we hope to obtain an impartial opinion. He has indicated that the results of his audit will most likely not be available until June or July 1995. In the meanwhile, he asked the federal government and the Government of Quebec to send him a detailed breakdown of all of the costs incurred and the related receipts, normal requirements for any in-depth audit. For our part, we have provided all of the information he requested.

The federal government, therefore, is waiting to see the conclusions of his audit. That is what I said to my counterpart in Quebec, Mrs. Beaudoin, and this is clearly the fairest process to use, and we must let it run its course. All taxpayers expect their governments to rigorously manage public funds, and that is what we are doing.

Now, what about the \$135 million claimed under the fiscal stabilization program? Once again, the federal government's position is very clear. We will apply the program rules to all claims, be they from Quebec or from any other province. Nothing more, nothing less.

Regarding the case at hand, the fiscal stabilization program was implemented to assist provinces whose revenues drop radically because of an economic downturn.

(1125)

The claim of \$135 million for 1991-92 is not valid in our opinion, because the Government of Quebec's loss of revenue that year was not related to the economic situation. The Minister of Finance has therefore determined that the stabilization program does not apply.

However, the federal government has already paid an instalment of \$125 million, that is, more than half the amount Quebec has claimed for 1992-93, because, in this case, we felt the legislation criteria were met.

As I indicated to Mrs. Beaudoin last week, the legislation does not provide for arbitration. The only alternative for the Government of Quebec, if it does not share our viewpoint on the application of the legislation, is, clearly, to appeal our decision under the procedure provided in section 19 of the Federal Court Act to resolve disputes between governments. Differences in interpretation of legislation are matters to be decided by courts of law rather than by politicians. I have even said that, if necessary, our government would be prepared to help Quebec out in such an appeal by providing all the necessary information.

Before going on to the third claim, I would like to draw the attention of the member for Mégantic—Compton—Stanstead to the fiscal stabilization program I have just been talking about.

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I am a Liberal, and Liberal is spelled with a capital "L", which means I believe in the principle of solidarity and in sharing the wealth. I believe as well that government has a role to play in this. A program like the fiscal stabilization program enables us to express Canada's social solidarity in concrete terms.

The public understands that these programs have criteria, naturally, in order to prevent abuse and to ensure that public things are managed wisely and in their interest. And the criterion of loss of revenue due to economic slowdown seems to me a very valid one.

Now we come to the last matter, the claim for the education of young aboriginals in northern Quebec. This week, I told the Quebec minister that the federal government, far from dragging things out, was anxious to see this issue quickly settled. I say it again today and I would like to explain why it took so long to deal with this issue.

Both governments have agreed, in the James Bay and Northern Quebec Agreement, to share the education costs of young Crees of the Cree School Board on a 75-25 basis, that is 75 per cent for Ottawa and 25 per cent for Quebec. One of the reasons for that is that the Cree School Board serves a student population which varies from year to year and which includes a number of non-aboriginal students whose education costs are met by the province of Quebec.

The agreement states that budgets must be approved by both parties since amounts to be compensated depend on the education budgets, including capital budgets, teacher salaries and the proportion of aboriginal students and non-aboriginal students in the student population.

The Quebec government has always been reluctant to let the federal government play a role in budget approval, despite our repeated demands. Even though it never approved those budgets, the federal government already paid \$464 million to Quebec. Therefore, we cannot be accused of being deadbeats. All they can say is that, since Quebec did not provide us with the information necessary to determine which amounts should ultimately be paid, we are protecting Canadians interests by not giving it a blank check.

Since the federal government did not take part in the decisions regarding the education budget, it is important that we understand the basis on which those decisions have been made before we decide whether a supplementary payment is appropriate or not. We refuse to sign a blank check for amounts which may not be owed.

(1130)

This being said, and I conclude on that, the federal government always assumed its responsibilities towards natives and fulfilled its obligations under the James Bay Agreement.

To conclude, the federal government is a reliable partner seeking co-operation, but managing carefully taxpayers' money. I am calling upon the sense of responsibility of the hon. member for Megantic—Compton—Stantstead and his colleagues from the official opposition, and ask them to understand that fact. I am convinced that it is what Canadians, including Quebecers, expect from us.

We will continue to deal with real problems, the problems for which we were elected by the people of Canada, the problems to which we were asked to find solutions. The Government of Canada, our government, is an honest, open and reliable government. A government which deals with provincial governments in an equitable manner and looks at issues in good faith.

We are always willing to work with provincial and territorial governments in the interests of Canadians. This is why I will vote against this motion and I urge fair-minded opposition members to do the same, in the interests of Quebecers.

This is what we are doing and this is what will be done in the future.

Mr. Ghislain Lebel (Chambly, BQ): Madam Speaker, I would like to get back to some of the points raised by the minister who, a few months ago, was a keen advocate and defender of flexible federalism. Could it be that he is abandoning his lofty notions of flexible federalism to champion the cause of courtroom federalism? This is the conclusion one is inclined to draw from his speech.

The minister says that it has not been proven, beyond any doubt, or close to that, that the sums being claimed were indeed spent on young aboriginals according to the James Bay Convention. And yet, his government did not show the same scruples last year when the press reported that every year native people in Canada receive \$1.2 billion without a census to establish their exact number.

And yet his government—I understand, I lay no blame—paid the money anyway although it meant that later on, it might have to make up the shortfall or withhold certain sums; it still took action. In the present case, I believe the minister is dead set against Quebec. He will not budge, no matter how legitimate the claims Quebec has against the federal government.

I just came back from a committee meeting. We learned that in Canada there are 298 public sea ports, and the present federal government is unable to say whether they are indeed public or private. For years now, it has been guesstimating. Sometimes, it assumes they are public and sometimes not.

Does the member for Bonaventure—Îles-de-la-Madeleine know that, in his riding, there is a port in Chandler which is still being funded even though it is not known whether it is private or public? Ottawa keeps on acting as if it were public and belonged to the federal government. Funnily enough, scruples only happen when Mrs. Beaudoin makes claims on behalf of Quebec. I

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find this intolerable on the part of a man who prides himself on being responsible.

The minister, if he was that honourable, could have agreed with Mrs. Beaudoin on a certain amount to pay. Even if we cannot come to terms on the final numbers, we know that not everything is free, including in James Bay. He could have acted in good faith and paid out an approximate amount, which he most likely owes, even though it would have meant he might have to make up the difference or withhold part of the money to be paid some time in the future under the same convention or program.

(1135)

In conclusion, I am not surprised that the minister intends to vote against our proposal, but I will ask him to refrain from saying that he is doing it in all good faith.

Mr. Massé: Madam Speaker, I am happy to see that the main objective of the opposition member is for the federal government to manage taxpayers' money with justice and honesty. I agree with him entirely. That is why, in the case of the Oka claim, even though we had already paid \$122 million to Quebec under the Disaster Financial Assistance Arrangements, when we decided that we did not have to pay anything else, instead of just saying: "No more, we owe you nothing more", we went to the extreme courtesy of naming a third party to audit the books once again in order to give the province of Quebec another chance.

It is also the reason why we asked the auditor general, who is certainly the most credible reference in the matter of fairness and good management of public funds, to go once again over all the invoices, to try to determine if we still owed something to Quebec. If the report says we still owe certain amounts to Quebec, if we owe money, we will pay up.

As far as fiscal stabilization is concerned, I mentioned earlier that we have reviewed all the payment criteria and have come to the conclusion that no amounts were owing. Quebec is not the only province in this case. The situation is the same for Saskatchewan. This province also presented claims which, in our judgment, were not in accordance with the established payment criteria, so the amounts requested were not paid to Saskatchewan either.

In the present case, the opposition will, once again, have to congratulate us because we chose not to pay amounts that were not owed. But, to be perfectly fair, we came to the conclusion that we had to allow Quebec, as well as all the other provinces, to appeal our decision and our interpretation of the criteria. Clearly, the provincial government should not appeal to us, since we concluded that there was no money owed as far as stabilization was concerned, but to a court of law since it is the interpretation of the law which is being challenged.

In the third case, our friend from the opposition suggests that we at least give an amount corresponding to expenditures as a whole and hammer out the adjustments later on. But what have we done so far? In fact, in all these years, we have given \$464 million to the province of Quebec for the education of aboriginal people. However, as the province of Quebec did not fulfill its responsibilities according to the James Bay agreement, we were not able to verify if there were other amounts that could be owed. Once again, to be as fair as we could, we proposed that a group of civil servants study the amounts given, the school board budgets, their capital budgets, the make-up of the student population, to see if other amounts were owed.

I say again, if we come to the conclusion that we owe some money, we will pay up. I conclude by saying that not only did we pay our fair share, but also we went the extra mile to give the province of Quebec every recourse possible and to ensure its claims are reviewed.

(1140)

In this case, if opposition members are fair-minded about this, if they try to see just how well the federal government has managed the taxpayers' money and to understand the fairness principles involved, I am pretty sure that they will vote against their own motion.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Madam Speaker, first of all, I want to tell the minister that I find his comments rather insulting, especially when he said that, in his view, I was not important enough to move such a motion in this House. The Minister of Intergovernmental Affairs suggested that the Leader of the Official Opposition is the one who should have done so. I do not know if he thinks the same about members speaking for the Liberal government, because that would mean that only the Prime Minister has the right to speak in this House.

As regards the very substance of the motion, I would like to say to the minister, who prides himself on being a Liberal with a capital L, that although the stabilization program precisely aims at helping the neediest provinces, these last few years, a province such as Alberta received \$174 million in 1982–83, and Ontario, a rich province, according to government spokesmen, received \$227 million in 1990–91 and \$284 million in 1991–92 while the Government of Quebec was denied the same conditions.

Mr. Massé: Madam Speaker, I think that the hon. member of the opposition is confusing the equalization program with the stabilization program.

The object of equalization payments is to give the have-not provinces the possibility of providing public services of a quality similar to those offered elsewhere. That is why equalization payments are not made available to the wealthiest provinces, but only to those less well-off. That is not the object of stabilization payments.

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The object of stabilization payments is to stabilize provincial revenues. If your revenues, according to the criteria, are lower than before, the federal government offers a compensation. If they are not lower or if they are but because of something that the provincial government itself has done, then there is no compensation. That is what happened.

[*English*]

Mr. John Duncan (North Island—Powell River, Ref.): Madam Speaker, Reform members will be splitting their time.

I appreciate the opportunity to participate in debate on the Bloc opposition motion before the House concerning additions to the long list of Quebec demands again laid before the House and ultimately the Canadian taxpayer. I have a hard time denouncing the federal government's tardiness in the face of these spurious and ongoing demands. It is heartening to see the government and particularly the Minister of Intergovernmental Affairs exercising some prudence and caution in doling out resources the government does not have.

I suspect the Quebec intergovernmental affairs minister, flushed with success from her 1994 coup in Ottawa when she pried \$37 million out of the federal coffers for the referendum on Charlottetown, felt this trek to the capital would immediately result in the payout of \$333 million.

Today we have the Bloc shilling for Quebec's intergovernmental affairs minister and solely as usual for the province of Quebec by way of an opposition day motion. Unlike September 1994, this time others have a chance to participate in the Canada-Quebec sweepstakes.

The motion calls on the House to denounce the federal government for not paying an additional \$119 million which Quebec claims is the unpaid federal share for educating Indian and Inuit children in northern Quebec over the past nine years. Federal officials contend that some \$450 million has been paid in this spending envelope and that conditions set forth under the James Bay and northern Quebec agreement and northeastern Quebec agreement have been contravened as a consequence of overspending by the Quebec government.

Who is right? Has the Quebec government sought approval from the federal government to do so? Who knows? A Bloc motion and a trip by a provincial emissary are not good enough for me.

(1145)

The 1995-96 estimates for Indian affairs indicate spending of over \$825 million on all elementary, secondary and post-secondary education for natives. On the post-secondary side it indicates an increase of \$34 million over 1994-95. In the 1992-93 fiscal year departmental spending in education was \$711 million. This year's estimates indicate a \$114 million

increase over a three-year period, or roughly what the province of Quebec is asking for by way of its alleged shortfall.

No one is denying any person access to a complete education. In the instance of aboriginal education certain comprehensive funding agreements or alternative funding arrangements have to be met. Political posturing and using the current political sensitivities by way of an implied threat will not get my party to support another \$119 million being anted up, no matter how charming the messenger.

Allow me to turn to the second demand of the motion as orchestrated by last week's trip by the provincial intergovernmental affairs minister. In this instance the House is being called upon to denounce the federal government for not reacting to Quebec's demand for the government to apply the federal fiscal stabilization program and help out Quebec during these difficult fiscal times to the tune of \$135 million.

Quebec claims drastic drops in revenue and thus qualifies for support from the emergency program. The provincial minister and the Bloc have good memories, since the claim for the payment of \$135 million goes back to 1991. What was the revenue shortfall in Quebec in 1991? What was the emergency situation? These seem like reasonable questions. Since the Bloc was not in power in 1991 it is nice to see the Bloc carrying the can in Ottawa for Robert Bourassa.

Under the fiscal stabilization program certain conditions must be met for eligibility to funding. In 1991-92 and during this recession five provinces were found wanting and received a total of \$418 million. Quebec and Saskatchewan were found not to be eligible at that time. However, in 1992-93 Quebec received \$125 million from the fund. If the Bloc feels so strongly about the case, why not follow the federal government's suggestion and go to court? Why would it ask Parliament to give carte blanche approval to meet this demand?

We understand that the legislation and regulations of the Fiscal Stabilization Program Act were met and no favourites were played. However, because Quebec was involved and was turned down this was somehow considered suspect immediately and that we should go to arbitration. No way.

The issue is simple. Everyone is aware that it is one of an overall separatist strategy to make taxes and tax sharing the real issues in the sovereignty referendum. The Quebec finance minister has already threatened Quebecers in his recent budget by claiming that a no vote would mean higher provincial sales taxes to offset federal cuts in transfer payments. The leader of the PQ claimed that the federal debt burden had been shifted solely on Quebec and that he could not talk seriously of a cost effective and flexible federal system.

The Bloc has joined the bandwagon and continued the blackmail by way of this motion. It is interesting that neither of these two leaders will discuss budget projections or provide information on what a yes vote would do. We all know it means even

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higher taxes for Quebecers. According to a recent Fraser Institute study they would be a whopping 25 per cent higher. Whom are the Bloc trying to kid? This is rank amateur blackmail.

(1150)

The motion calls upon the House to denounce the federal government's tardiness in meeting the Quebec government's claim of \$79 million for costs of using the Sûreté du Québec in the events at Oka in 1990. The issue requires some historical perspective so I will trace the debacle largely instigated by the Sûreté du Québec, the police force for which we are being asked to cough up another \$79 million.

Some very strange decisions were made at Oka by the Quebec government. On July 11, 1990 Sûreté members stormed the Mohawk barricade at Kanesatake. In the ensuing gun battle a police officer was killed. As a result we had a standoff which lasted 78 days. Soon after the events of July 11, police began blocking food and medical supplies destined for Mohawk residents at Kanesatake.

Widespread criticism led to a lifting of the blockade on July 26. Talks began between the parties and on August 8 the Prime Minister appointed as mediator Chief Justice of the Quebec Superior Court Alan Gold. At the same time the Prime Minister said he would make the Canadian army available if Quebec needed it.

On August 12, Justice Gold announced some agreement and two days later it was announced that the Quebec government had requested the Canadian army. A force of 2,500 soldiers moved in. The next day it was announced that the army would replace the Sûreté at the barricades. This was completed on August 20. Talks were going nowhere, and on August 28 the army was asked by the premier to remove the barricades.

The motion is a one dimensional litany of Quebec complaints. The Bloc is not truly displaying its position as official opposition. It would be better served devoting more attention to national issues and less time on purely political posturing to serve one province.

I cannot support the motion.

[*Translation*]

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Madam Speaker, I listened carefully to the speech of the hon. member and I am somewhat surprised by his paternalistic attitude regarding the claims that are being made.

The claims made by the Quebec government at this stage are about adjustment and correspondence to criteria and things of that nature. We are not here to question the way governments have acted. In that regard, I think that the hon. member's attitude was more or less appropriate when he asked if the

government had acted in a relevant way and when he suggested it should act in such and such a way in another situation.

However, as regards fiscal stabilization, I believe this raises an important substantive issue. We are told that the Quebec government should go to the courts since it received an unqualified refusal from the finance minister. Should we not question the relevancy of a fiscal stabilization agreement in which the federal government is both judge and judged? Indeed, the government will give the money if the claim is considered justified, but the government is also, through the finance minister, the final authority allowing the disbursement.

Should such an agreement not be considered as a form of domineering federalism where the father decides what is good for his children? As if the provinces were the children of the federal government. Should we not ask ourselves something?

(1155)

Should there not be, for this type of agreement, an independent body which could decide on the relevancy of claims in cases of disagreement between the federal and provincial governments? This way governments could be spared legal battles which entail useless expenses and necessarily lead to political claims, like the ones the Quebec government is making, when one of the parties involved refuses to agree to a claim considered to be justified by the Quebec government.

[*English*]

Mr. Duncan: Madam Speaker, in terms of the fiscal stabilization issue, I have a lot of problems with the issue in a broader sense. We have an equalization arrangement that was reaffirmed for five years last year in Parliament. It was based on government and on party discipline voting. The agreement is one whereby the fourth most prosperous province, the province of Quebec, is receiving something in the order of 40 per cent of equalization payments. That has created some major contention in other parts of the country.

In terms of the actual question of dealing with whether the judge and jury on arguments within that framework should be an independent body, I have some sympathy with the argument. Otherwise it is very prone to political manoeuvring whether it is from a provincial jurisdiction or the federal government.

That is the rationale for including the courts in the process but perhaps there is another way to do it other than through the courts.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Madam Speaker, it is stimulating for me to rise today to address the Bloc motion which denounces the government for its tardiness in addressing Quebec's demands for outstanding payment in three critical areas.

What does the Government of Quebec want? If we examine the request we see that the Parti Québécois or the Government of Quebec says that it is owed \$79 million for costs incurred during

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the Oka crisis of 1990. This bill is mainly for overtime paid to the Quebec provincial police. Quebec claims that Indian affairs is a federal jurisdiction and the government has a crisis fund from which the money should be paid.

On the surface it seems like a reasonable request and is reasonably justified. If we were to get into the details we might find room for argument. After all we all know that if the provinces request through their attorneys general the aid of the civil power for their police it is a provincial obligation to pay.

In any event, Ottawa says that it has already paid \$5.3 million. It has asked the federal auditor general to review the claims on both sides and propose a fair division of costs. This seems like a quite reasonable position which I submit should be given a chance to work.

The second claim on the part of the Parti Quebecois or the Government of Quebec is for \$119 million for moneys spent on the education of young natives in the James Bay region of northern Quebec. The spending of \$119 million for the education of natives was very laudable and worthwhile.

The PQ claims that the 1978 James Bay agreement contained provisions for Ottawa to pay a portion of the costs, but that since 1987 it has refused to pay its full share. The response from Ottawa is that it has already spent \$450 million over the past several years and that additional costs were incurred by the province of Quebec without federal approval. According to reports, Ottawa is quite willing to discuss this matter in further detail but Quebec is unhappy with the pace of the negotiations to date, if not the negotiations themselves.

(1200)

I submit that the negotiation process should be encouraged so that a fair and equitable agreement can be reached on this important matter. It seems that in this play between the government and the PQ and even the BQ, Reform has almost taken the position of honest broker.

The final claim of the PQ is for \$135 million under the stabilization payment programs for 1991-92. The PQ says that richer provinces, including Ontario and my province of British Columbia, got money under the program which compensates provinces if they lose revenue because of an economic downturn.

Ottawa's reply in this case is that the finance department analysed Quebec's application on the same basis as other provinces that applied that year and the application was turned down, as was that of Saskatchewan. If that is the case, then Quebec has no claim.

Having looked at the demands and Ottawa's response to these demands, it is also very important for all of us to look at the motivation behind these claims. The Parti Quebecois is current-

ly engaged in a campaign to separate Quebec from the rest of Canada. The PQ is calling it a sovereignty campaign but it is just that, a campaign to separate.

We read in the polls that the campaign shows the separatist side is losing. We must ask ourselves the question: Could it be that the PQ and their BQ allies are simply looking for an issue to help buoy the sagging separatist cause? If we examine the theory we see that such a tactic could bring positive gains to the yes side.

First, if Ottawa refuses to pay, the PQ and the BQ can tell Quebecers that Ottawa just does not care. That it is just another example of why Quebec must separate from Canada, because Ottawa cannot be trusted to live up to its commitments.

If Ottawa gives in and pays what the PQ says it is owed, then the separatist forces can trumpet: "This is a victory against domineering Ottawa". Either way, the PQ and BQ can score political points. This is what troubles me about the bills being presented by the PQ and the motion presented by the Bloc today. It appears to be motivated by crass politics and is not a genuine desire to enhance the lives of Quebecers.

At the same time I have to applaud members of the Bloc for their dogged determination to bring before the House issues that affect their constituents, the people of Quebec. They are very good at that. However, as I mentioned earlier, it is unfortunate that this determination is not based on anything more than achieving the Bloc's stated political goal of separation.

I must also admonish the Bloc for neglecting its role as the official opposition. If the Bloc wants to maintain the role of official opposition, it has to widen its focus and begin to address the many greater areas of common concern in Canada. It must not be allowed to simply use its position to further its own agenda.

Dedicating limited supply days to debating motions such as the one we have before us today means that the affairs of the nation as a whole are put on the back burner while we all address issues which affect just a limited portion of our society. That is the problem. To me it is an abuse of the parliamentary process and to a large degree an affront to the majority of Canadians, even to Canadians in Quebec who are tired of seeing themselves used as nothing more than pawns in the political games being played by the Bloc and its PQ allies in Quebec city.

(1205)

If the PQ and the BQ want to separate, then let them hold their referendum without delay and let Parliament get on with the business of running Canada for all Canadians. It is time for parliamentarians to demand the Bloc either fulfil its role as the official opposition or step aside for a party that is willing to do the job. The Bloc must not be allowed to hold Parliament hostage any longer.

Supply

It is within the power of Parliament to remove the mantle of official opposition from the Bloc and bestow it on a true opposition party. This has not happened to date because the Prime Minister appears unwilling to do it.

Therefore I appeal to Canadians from coast to coast to coast to write the Prime Minister and ask him why he is an accomplice to these political games; ask the Prime Minister to allow the House to conduct a free vote on which party should be the official opposition.

It is time for us all to move forward in the interest of all Canadians. The Bloc is hindering this process with the type of motion that is in front of us today. Canadians say enough, and I say enough, and enough to the motion before the House as well.

[*Translation*]

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Madam Speaker, I suppose my colleague for Nanaimo—Cowichan got carried away, to have made such comments. I usually have great respect for what he says in the House. The speech he delivered in the last ten minutes shows how our friends from the Reform Party are unable to give any serious consideration whatsoever to the legitimate demands of the government of Quebec.

I have two points to make. The member explained, during his ten minutes, that the tabling, by the Bloc Québécois, of a motion asking the federal government to act properly and stand by agreements it made under the statutes governing our institutions, is nothing more than separatists bringing up a local problem for partisan purposes.

I am sure my colleague cannot, in all conscience, maintain such an absurdity. He knows perfectly well that what the opposition is asking this morning, what the present Quebec government is asking, is what the Quebec has been asking for ten years in one case, five years in another case and three years in the last case. These demands date from the days of the Bourassa government. As I mentioned in my speech, Mr. Bourassa cannot be accused of thinking separatist thoughts.

My second point is that I was surprised to hear such comments from a Reform member who is always asking the federal government to stop interfering, to let the provinces act in their own field. He is asking even more—he would like the powers of government to be decentralized. He would like us to have a smaller federal government.

When the Bloc Québécois, the official opposition, rises in the House on a motion that basically has the same goal, my colleague is blinded by partisan considerations and he lowers the level of debate to a partisan debate. I think there is no room

for such behaviour in this House. I hope my colleague will take advantage of the few minutes he has left to refocus his thoughts.

(1210)

Mr. Ringma: Madam Speaker, I must say that I partly agree with the hon. member's words. He is certainly right when he says that the Reform Party is against big government, against too much government and against too much control by Ottawa over the provinces.

I agree that we would like to have decentralization as outlined. But at the same time, and I will repeat what I just said. I see in the Bloc's motion a totally political manoeuvre to bring the separation issue into the debate today.

I can say that I heard the Bloc previously describe federalism as dominating. I also agree with that. But we have to change the government, we have to change the system first. We need decentralization, but we do not have it yet. We must work in order to achieve it.

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Madam Speaker, I find it rather deplorable that some people will say almost anything to score political points in the House. I understand that the hon. member might be very interested in forming the official opposition, but an election will be held only after the Bloc Québécois is gone.

I would like to say to the hon. member that it is in Quebec that the Oka crisis happened. It is Quebec that has problems with the federal government with respect to payments for aboriginal education. It is Quebec that has problems regarding stabilization. That is why we are here, to defend Quebec's interests.

[*English*]

Mr. Ringma: Madam Speaker, of course they have problems in Quebec. Of course they must stand up and defend them, but I will come back to what it is I am saying.

We want to be the official opposition and yes, we will wait for a byelection to have it happen properly. In the meantime, the Bloc is doing nothing more than being the advocate of everything in Quebec and is not acting as the official opposition for all Canadians.

[*Translation*]

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Madam Speaker, it is a great pleasure to rise at this stage in the debate, especially after a speech by the Reform Party on a very important motion tabled by the Bloc Québécois.

I think that we should put the cards on the table and look at what is really happening. The motion is very clear. It is aimed at denouncing the federal government's delay in paying the money it owes Quebec. This government owes Quebec \$79 million as a result of the Oka crisis, \$135 million under the 1991–92 stabilization program, and \$119 million for problems related to

the education of young aboriginal people in northern Quebec. The Minister of Indian Affairs and the federal government know that these amounts are owed, but they are not doing anything about it.

It is normal for the Bloc Québécois, for Quebec MPs elected by Quebecers to defend Quebec's interests in Ottawa, to table such a motion on an opposition day, because it is in the news. This week, a Quebec official met with her federal counterpart to claim the tidy sum of \$333 million. You expect us to remain silent while this is going on? No way. We have been sent here with a clear mandate, which we intend to fulfil, and we will fight for this money because it is owed to Quebec. We will work to get it.

(1215)

Again, this issue gives us the opportunity to show clearly that Quebecers made a very definite choice in the last federal election because, as you know, Madam Speaker, this issue has been dragging on for years. Let me take a minute to give you some background information. We did not make anything up. The Bloc Québécois and the big bad separatists in Quebec had nothing to do with this. Once upon a time, there was a federalist government called the Bourassa government in Quebec; it was a Liberal government. In the last Liberal budget tabled in the Province of Quebec, the Bourassa government indicated that the federal government owed \$300 million to Quebec.

Is this something that big bad separatists made up? No, Madam Speaker. If the allies of our friends opposite, those who will share their platform in the Quebec referendum scheduled for this year, if the Liberals mentioned this \$300 million in their budget—and we know that they are pals with our friends opposite—it is because this amount is really owed. It remains to be paid.

I had a prepared speech but I think that I will set it aside and speak from the heart instead, because this is much too important an issue. I think you can push, but only so far. Our motion refers to three demands of the highest importance. Let us look at them one at a time.

First, there is the Oka crisis. What was this crisis? Well, Oka is in Quebec. Certain Indians claimed a strip of land in that area in the 1990s, and the Quebec provincial police, as well as the Canadian Armed Forces, had to be called in. The Minister of Intergovernmental Affairs said so himself. He reported having spent \$122 million on these measures. And we are supposed to believe that these were not emergency measures related to a disaster, that, to use his own words, public order and public good are slightly different?

If it were strictly a matter of public good, what was the army doing there? Why did the government spend \$122 million? Can you tell me, Madam Speaker? Because there was an element of

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public order involved, which is directly covered by federal-provincial agreement in the definition of disaster. This may sound like a strange term, disaster, but that is what the agreement says, and letters were even exchanged by the two levels of government, in which the federal government recognized the events in Oka were a disaster under the terms of the agreement.

Correspondence exchanged between the provincial Liberal government and the federal Conservative government at the time provides that the Oka crisis is covered by that agreement. An amount of \$139 million was spent on that in Quebec. How did the federal government pay its debt? It gave \$5.3 million. Then, it said: "The federal government is acting in good faith. It would pay the total bill, but the issue relates to public good, not public order". Such an interpretation can only be made in bad faith. When \$122 million was spent because of the existence of a threat to the public, either the federal government pays the full amount or, if it does not want to respect its own agreements or thinks that it will not be able to fulfil its commitment, it should not sign such agreements with the provinces. This is what is deplorable.

Governments, whether they are Conservative or Liberal, are all the same. In fact, whether we are talking about the Conservatives, the Liberals or the Reform Party, it is all the same when it comes to looking after Quebec's interests. They are all opposed to these interests. This is the case and we have a very good example of that here, where Reform, Liberal, and Conservative members are working hand in hand. They belong to different parties, but they all react in the same manner regarding this issue. They are all opposed to Quebec's interests.

(1220)

They put Quebec in its place. That is what federalists want to do, put Quebec in its place, and that is what they have been doing for 30 years. And then, they wonder why there is a sovereignist movement in Quebec.

There is a very precise order to the events in the Oka crisis. All the ministers who dealt with that issue have that correspondence. They know that the \$139.7 million Quebec spent on that issue was not money spent for a futile purpose; it was spent to maintain public order. There was a major crisis going on. Those events involved the death of one person, and there was the need to intervene. That is why that money was spent, through the Quebec provincial police force.

It must be remembered that there is a provincial police force in Quebec. The province provides its own police services. What would have happened, say, if such a crisis had taken place in Manitoba, a province without a provincial police force? The events would have been monitored by the RCMP. Who would have paid? The federal government. Would the federal government have passed the \$139.7 million bill on to the province of Manitoba? I doubt it.

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Let us look at what is going on now with federal-provincial agreements on law enforcement services between that province and the federal government. The federal government provides police officers, and pays them, but it cannot even pass on the bill to get full payment for the services it provides to that province. Some might think that the member for Berthier—Montcalm is putting forward figures without knowing what he is talking about, but those are not my figures. The Solicitor General of Canada is the one who pointed them out. The solicitor general has been saying year in and year out: “You cannot even recover all the costs of the RCMP services you are providing, and you should”.

And then, we are told that in a case like the Oka crisis that could have happened anywhere in Canada, the whole bill should be passed on to the province. Madam Speaker, this could only happen here. It could only happen in Quebec. It is the only province that has to argue to have the federal government pay its bills. We should not forget the Charlottetown referendum. How many times did we have to raise the issue in this House in order to get the federal government to pay the \$35 million it owed? Quebec paid twice for that referendum that was forced upon it. The federal government imposed that referendum, and we had to pay for it twice.

It is only when the government opposite examined the issue, set aside its political interests and partisan considerations that it handed a \$35 million cheque to Quebec, because that claim was indeed justified.

The situation is exactly the same with the Oka crisis. Quebec is owed \$79 million. Now, who is going to pay?

I would now like to say a few words about the second claim concerning the education of young aboriginals. I am particularly pleased to do so when the minister is here. He will certainly confirm what I have to say.

Is it not strange that, here again, we had agreements between both levels of government on the education of aboriginals? One point should be clear. Aboriginal affairs are a federal jurisdiction. When the federal government steps outside its jurisdiction, we take it to task. What we have here is exclusively under federal jurisdiction. Let the government abide by that nice Canadian constitution it so eagerly defends in the House. Let it honour its signature. Here again, we have a federal-provincial agreement under which the federal government is supposed to pay 75 per cent of costs and Quebec 25 per cent. The minister gave an excellent explanation earlier. A few young whites live on the reserve, and their education is a provincial jurisdiction. Therefore, Quebec should pay for their education.

(1225)

The federal government should also pay for the natives living on that reserve and on all the reserves in northern Quebec. Following the James Bay agreement, both levels of government reached an excellent agreement under which the federal government and the province of Quebec split some of the costs.

Between 1978 and 1987, this approach worked very well. The federal always paid as soon as it received the bill sent by the Quebec government. In 1987, the federal government stopped paying. Why? Because it argued that the bill was too high and that the expenses had increased too much. Why had these expenses increased? Simply because the birth rate has increased on the reserve as well as the number of young natives, and more natives had gone back to school. The Quebec government was providing more education services and more classes to the natives. So, the federal government said: “Oh no, the expenses have gotten out of hand; we will no longer pay”.

Today, the minister had the nerve to say: “Look, we are acting in good faith. We paid \$450 million”. Yes, but they stopped paying in 1987. Is that what he calls acting in good faith? Is that what flexible federalism is all about? Is this the kind of federalism in front of which we should grovel like the members opposite? Without Canadian federalism, there is no salvation? I do not think so.

In cases like this one, we will still be blamed for defending Quebec's interests, even if the federal government obviously owes us some money. And we are not talking about petty cash here, but rather \$119 million. We should give up \$119 million without saying anything. This is horrible. It is unacceptable.

What is even more unacceptable is for some members representing Quebec ridings to rise and to criticize us because we are defending Quebec's interests and asking for the money owed to us. We want what is ours. This money is owed to us.

These Quebec members will still rise to try to sweeten things up, to hide the truth and to tell us why they do not have to pay. However, all the documentation we have clearly shows that some agreements were reached and some promises were made by the various levels of government concerned.

This only goes to prove that the system in which we live is awful and cannot work. There are two nations in this country; there are two countries in this country. We are totally unlike. How do you think we can agree when they cannot even respect contracts which they signed? Moreover, they invite us to settle our disagreements in court. “We do not agree, so let us go to court”.

We can do that with the United States. A great Canadian like the Minister of Intergovernmental Affairs can say to his neighbours who do business with Canada: “Listen, if we cannot reach an agreement, you can always go to court; that is what courts are

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for". But, to my knowledge, as long as Quebec does not say yes to sovereignty, as long as Quebec is not a separate country, we are still part of the system.

This is what the so-called flexible federalism is. Is this what the blind advocate of flexible federalism is going to offer us? It is scandalous. I think there is no better way to describe it than to say it is scandalous.

The third claim, and not the least, is an amount of \$135 million for the 1991-92 stabilization program. If my memory does not fail me, it was not the big bad separatists who were in power then, it was the Liberals.

(1230)

Indeed, the Premier of Quebec was the ineffable Robert Bourassa, a federalist well known by our friends opposite, and this man claimed \$135 million. That tells you something. If a man like Mr. Bourassa put down in his books that the federal government owed Quebec the sum of \$135 million, you need not look any further, it is a minimum. No matter how you calculate it, he was so afraid of displeasing his great federal friends, he so often groveled before the federal government, that if he submitted a claim for \$135 million, you can be sure the federal government owed this money to Quebec. There is no need to look any further. We can make all kinds of complicated computations, we can make a balance sheet say what we want, I think everybody here agrees with that.

The fact remains that, if federalists like Robert Bourassa and his cabinet, of which the present Minister of Labour was a member, claimed such an amount, then that was probably the amount due. I would like to hear from the Minister of Labour, who was elected to protect Quebec's interests, since she is very familiar with all the details of the claim. I would like to know what she says to the Minister of Intergovernmental Affairs.

Does she say that that is the correct amount as she used to claim when she was a member of the Bourassa government? Does she say that Quebec's claims like the one for the Oka crisis, which she certainly knew all about as a member of the Bourassa cabinet, are well founded? Does she say to the intergovernmental affairs minister that the money owed for northern Quebec natives' education should be paid? She was once the Quebec Minister of Education. Does she say it should be paid? Will she rise in the House? I am anxious to see how she will vote tonight on the motion and to see if she defends Quebec's interests as we do because it was for that reason that we were elected. I am anxious to see her on her feet.

The federal government made written and oral commitments to Quebec. It is accountable to the people of Quebec. Moreover, it is the source of some of the problems we are faced with today.

The federal government should pay right away what it owes Quebecers. Do the honourable thing and pay what you owe.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Madam Speaker, in such a delicate matter that concerns not only our native people but also Quebec's honour, we must not forget that, in 1990, the media in Europe, Asia and all over the world criticized us for the way this dispute with our native friends had been handled. It was not something that Quebec could be proud of.

When I hear opposition members say that we, government members, are not protecting Quebec's interests, I would like them to tell me why they have decided to change their position with regard to the referendum. Now they want to have an association with the Canadian government even though they claim that it does not honour its fiscal commitments. Everybody knows that it is not true.

I would be curious to know the opinion of small municipalities which have received funding for infrastructure projects thanks to their support, to the co-operation of the province and to the federal government's determination to put Canadians and Quebecers back to work.

The members opposite say that the Canadian government has not responded to the Quebec government's demands, but it is absolutely false. It is the government of Quebec which called on the Canadian Armed Forces, and it is the federal government which spent \$122 million. We must not forget that. You know, Madam Speaker, this bill will not be paid by the government of Quebec. It is through federalism, as it now stands, that we can share our resources. That is what gives our country its strength. The province of Quebec has a lot to gain by being part of our great Canadian family.

(1235)

Of course, the fact that the federal government has paid \$450 million for the education of natives in northern Quebec has already been mentioned. I could talk some more about all the programs which have benefited Quebec, but it is absolutely wrong to say that the members opposite are speaking for Quebec. I am a Quebecer, a Gaspesian and proud of it, and if an opposition party which does not even represent the majority in Quebec in terms of the popular vote thinks it can tell me—

Some hon. members: Not true!

Mr. Gagnon: Madam Speaker, I would like to point out that they only captured 48 per cent of the popular vote, and that the Parti Québécois only captured 44 per cent of the vote in the provincial election. If they had the honour, audacity and intellectual integrity to say to us tomorrow morning: "We are going to hold a referendum and the question will be: Do you want to separate from Canada, yes or no?", I assure you that they would be lucky if 30 to 35 per cent of Quebecers were to vote in favour.

Supply

Therefore, I ask the members of the opposition why they decided to go this route, if Canada really is the deadbeat they make it out to be. Why would they still want to remain associated with Canada if, according to them, the Canadian federation is not worth the trouble?

Mr. Bellehumeur: Madam Speaker, what a shame that the hon. member opposite cannot tell an apple from an orange. Understandably, both are fruit, but that is no reason to confuse the two. Although we are no longer on the subject of the motion, too much is at stake not to reply to the hon. member's question regarding why we have proposed an association with Canada.

For one, we are not proposing an economic association with the federal government; we are proposing an economic association with the other provinces, with Canadians. It would be an economic association between peoples, not between governments. The federal government is the deadbeat; not the Canadian people. The federal government has acted in bad faith; not the Canadian people. The federal government is into petty politics; not the Canadian people.

By asking this question, the hon. member has revealed just how clueless he is about the referendum debate in Quebec. I invite him to pay more attention to the debate on the referendum, which I can assure him will be held in 1995.

Mr. Gagnon: I certainly hope so.

Mr. Bellehumeur: And I hope with all my heart that the great defender of this great country, none other than the Prime Minister of Canada, will join hands with the Conservative member of this House, the leader of the Conservatives, and with the Reformers too, because they all came out of the same mold. They will all try to sell flexible federalism to Quebecers.

But we will also be on the scene to push our position. We will also point out that the federal government's first reaction is always to say no to Quebec. The hon. member made comments on my speech, that is his right. But I find it strange that he did not really talk about the important points I made in my speech. Was money spent during the Oka crisis, yes or no? Did the federal government consider it a catastrophe, yes or no? Did the federal government send the army because it considered the incident to be a catastrophe as defined under the accord, yes or no? Why did the federal government spend \$122 million, like the hon. member said, if it had no business in Quebec, if the incident really was a purely provincial matter?

Because Quebec asked it to? Of course. But that answers the question of whether or not it was a catastrophe. How odd that the hon. member did not talk about that. And regarding the \$450 million, yes the federal government did spend \$450 million on education up to 1987. I would remind the hon. member, howev-

er, that Quebec paid its share, 25 per cent or around \$115 million.

The sum we are demanding is for all of the years after 1987 in which the federal government did not want to pay, under the same accord, the accord under which the federal government had already paid in years past. We are asking for nothing more than our due. The same goes for the stabilization payments.

(1240)

How strange that the hon. member did not go into detail, did not explain why we were not entitled to claim these sums. No, instead, he accused us of comparing apples with oranges regarding sovereignty and would have you believe that we have charted a new course. Had he only really listened to the Bloc Quebecois since its arrival in this House, he would have realized that we did not do an "about face"; we are just openly repeating things we have always been saying here. This is merely a synthesis of our thinking.

The hon. members opposite can jeer all they want and call it an about face. For us, it is the next logical step on Quebec's path to sovereignty.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Madam Speaker, as you know, it was very hard for Quebecers and for all Canadians to see this aggressive confrontation with the aboriginal First Nations, watched by millions of people throughout the world. I found it very troubling.

And I think that this opinion, these feelings, are shared by thousands, even millions of Quebecers. It was very uncomfortable to realize that we did not get along with the first settlers of this country.

That is now history. According to the opposition, it is time to pay the bills. According to the Disaster Financial Assistance Program, the DFAP, the government has paid nearly \$210 million in assistance since 1970, so that the bill we were sent by Quebec would represent nearly 40 per cent of the program's budget for the past 25 years.

I agree the bill is pretty steep. It takes time, as the Minister of Intergovernmental Affairs explained, but the federal government always pays its share. We are ready to negotiate. We are ready to review. However, I do not think the opposition should politicize the issue like this, because we are dealing with Canada's First Nations, who arrived in this country long before we did. And I think we owe them something. That is why I ask the opposition to accept that 40 per cent of the federal program will be paid to the Province of Quebec.

Mr. Bellehumeur: Madam Speaker, not 40 per cent but 75 per cent, according to the agreement. That is my first point.

Supply

I think the hon. member is confusing the issue. Just compare what is happening in Quebec with what happens in other Canadian provinces. Aboriginal people are treated better in Quebec. I think that as a member from Quebec he should at least admit, here in the House, that we treat aboriginal people very well. And I think they would agree.

Second, when I see a member rising in the House to say; “Yes, there is a disaster assistance program but we think the bill submitted by the Province of Quebec is too steep, because then we would have no money left for anything else”—now I ask you, can we legislate disasters? Can we predict that we will not have more than three? No compensation for number four?

I think it stands to reason that when the government sets up a program and provides assistance under that program, it should expect to foot the bill. Again, I urge the federal government to pay its debts, because this is money it owes to Quebec. Pay now and stop arguing.

[*English*]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Madam Speaker, I am pleased to rise to address this motion today. Some very important issues have been raised.

The hon. Minister for Intergovernmental Affairs has clearly set out why the government will be voting against the motion. At the same time it is important to understand this issue within the broader context of what the government is doing on aboriginal issues both in Quebec and in Canada as a whole.

The government was elected on a mandate from the Canadian people to respond to issues of concern to aboriginal communities. In the 1993 election we addressed these issues head on in the famous red book. We stated quite clearly what a Liberal government would do and now we are fulfilling our commitments.

(1245)

One of eight red book chapters is devoted exclusively to aboriginal issues, in addition to references to aboriginal policies in other chapters. Never before in Canadian electoral history had aboriginal issues received such a high profile. The opposition should bear in mind that on the strength of bringing these and other issues to public attention we received a strong mandate from the Canadian people.

In the red book we maintain that aboriginal people in Canada want two things: first, a new partnership with government based on trust, mutual respect and participation in decision making; second, a strengthening of their communities. In the red book we stated that our goal was a Canada where aboriginal people would enjoy a standard of living and quality of life and opportunity equal to those of other Canadians; a Canada where First Nations, Inuit and Métis people would live self-reliantly, secure in the knowledge of who they are as unique peoples; and, where all Canadians would be enriched by aboriginal cultures and would

be committed to bringing their fair share of their potential to our nation.

Perhaps most importantly, the red book set out our goal for Canada where aboriginal children would grow up in secure families and healthy communities, with the opportunity to take their full place in Canada. This is our vision and I think it is everyone’s vision in this House. We have been moving step by step to bring it alive. In the first year and a half of the government’s mandate, we have already made considerable progress in Canada and in Quebec. I am not saying that this is the end—all or be—all, but we have made some progress which I think is significant, even though we have a long way to go.

In the first 18 months as minister I visited Indian and Inuit communities across Quebec and I met with most Quebec chiefs and several Inuit leaders. I have talked to Ghislain Picard of the Assembly of First Nations; I have talked to Chief Max Gros-Louis of the Huron; I have talked to Matthew Coon-Come of the Cree; Jean-Guy Whiteduck; Brenda Gideon Miller; Joe Norton, Dennis Ross, Jerry Peltier of the Mohawk; Marcel Boivin; Bernard Jérôme; Simeonie Nalukturuk of the Inuit; Zebedee Nungak of the Inuit; and Remy Kurtness. Perhaps people are saying I am talking too much. They all tell me what is being done, what needs to be done and how we can do better things together.

We forget. We deal with the aboriginal people almost from a point of ignorance. I was looking at the notes of Joseph-Elzéar Bernier, the Baffin Island explorer, when he first met the Inuit. This is from his own diary: “After firing 19 shots, I instructed an Eskimo to fire the 20th, telling him, you are now Canadian”. That is how we started up there.

We forget that in Quebec there are 10 First Nations, over 40 communities and Inuit in the north. These communities are all over the place. They are a suburb of Montreal, they are extended along the St. Lawrence, they are in the interior and they are in the far north. We forget that when Cartier first landed he lost half of his people in the first winter. If it had not been for the Indians, who taught him to put bark and cedar needles and water together, they would have all died of scurvy. The Indians asked for nothing. They asked for nothing. And that is the start of their history.

We came here with a certain amount of avarice in our hearts, telling these people: “You’ve been holding this land for 5,000 years for us. It is really ours and we discovered it”. We forget that they have a proud history. They had been here. They are nations, they were nations and they will be nations.

Some 20 years ago the province of Quebec and Canada solidified an important relationship with First Nations as the first comprehensive claims in Canada, the signing of the James Bay and Northern Quebec Agreement and the northeastern Quebec agreement, fostered a sense of pride throughout Quebec, and rightfully so. I must remind members of the Bloc that it was former Prime Minister Trudeau who was on our side when this agreement was signed, initiated, worked on. It was the present Prime Minister, who had my job, who brought this agreement to

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fruition. The heritage of the Cree and the heritage of the James Bay agreement is not only a proud heritage of our country, it is a very significant heritage in the Liberal Party.

(1250)

These modern treaties mark a pivotal point in our relationship with aboriginal people, not only in Quebec but throughout Canada. Much has already been accomplished under these agreements, but given their extraordinary scope and complexity it is not surprising that much more needs to be done.

When I visited the Cree communities in December I continued discussions with Grand Chief Matthew Coon-Come and Cree chiefs regarding implementation of the James Bay and Northern Quebec Agreement. As a result, work has been undertaken to continue our dialogue on several key areas of concern.

I am pleased to report that under the first self-government legislation in Canada, the Cree-Naskapi of Quebec Act of 1984, significant progress has been made in bilateral talks on agreement on funding a five-year operation and maintenance budget for the regional and local governments.

We also recently reached an agreement with Chief Billy Diamond of the Cree of Waskaganish for fresh water and sewage treatment. I am pleased to report that the construction of the community of Ouje-Bougoumou was written up in *National Geographic* and in articles throughout the world as the way to do things. I think every parliamentarian should go to Ouje-Bougoumou and see how it is done and when we work together how it can be done right.

Chief Abel Bosum has been with us from the beginning there. He has lived with it. It is amazing. They took people from eight or nine scattered communities who were living in shacks. They met in a little house on a hill. They would come over in the evening and meet with the architect with suggestions. They were not just looking at plans. It was a living thing. They named each street after their traplines. If we could duplicate that in the 605 First Nations across Canada, problems would be solved.

I want to tell the House what Billy Diamond had to do when the Grand Council of Crees was started in 1974. Billy Diamond gave his health and his family. This is what he said on June 28, 1971: "This is our land. No one has obtained surrender from us. We never lost it in war. We never lost it in battle. We never signed a treaty. No one has taken it. And we are not allowed by the Creator to let anyone take it from us". That is the way we started. They have only had three leaders: Billy Diamond, Ted Moses, Matthew Coon-Come.

With the Government of Quebec and the Government of Canada working together we can put things together, not divide things or separate things. We can come up with the Ouje-Bougoumou. That is what we have today. It is easy to divide. It is hard to keep people together.

In the area of policing, the department of the solicitor general signed a tripartite agreement on public security for all Cree communities. This illustrates a common goal for the Crees to govern themselves by assuming administration, management, and supervision of its own police force.

We are also encouraged to see considerable progress made on reaching an agreement to establish a Nunavik assembly of government. Although primarily a negotiation between Inuit and Quebec, Canada has been invited by both parties to have representation at these negotiations and we have provided the Nunavik constitutional committee with funding for these landmark negotiations.

Canada has other involvement with aboriginal groups in northern Quebec. We organized and participated with Makavik Corporation in the Inuit forum, a meeting held on a regular basis to examine progress and co-ordinate the application of the implementation of the JBNQA in terms of federal obligations. Canada signed the JBNQA implementation agreement with the Inuit in 1990, which provides for an amount of \$22.1 million and various other commitments.

The Naskapis are also being innovative in developing partnerships. We recently signed a five-year agreement on housing and infrastructure and are discussing in concert with other federal departments an employment creation strategy.

Ninety per cent of the time I am in the field with the aboriginal people of Quebec they do not talk about self-government or about the referendum or about separation. They talk about education, infrastructure, water systems, housing, and their aspirations. This is what they talk about.

(1255)

We talk about separation here. The intellectual dilettantes are always talking about separation. The native people are talking about things that are important to them and their kids: food on the table, jobs, security. These are the things we were elected for. We were elected on jobs, fiscal responsibility, getting on into the future and that is why we are staying on that agenda.

Following our 1990 implementation agreement with the Naskapi, I am pleased to hear Quebec is engaged in discussions and looks forward to resolving various issues related to the implementation of the northeastern Quebec implementation agreement.

Supply

Federal initiatives are not limited to northern Quebec. As I said earlier, the aboriginal people are throughout Quebec. For example, comprehensive land claims with the 12 Attikamek and Montagnais communities are of enormous importance to all of northeastern Quebec. I look forward to renewed and rejuvenated negotiations that will lead to a fair and equitable resolution of their outstanding and complex land claims.

It was odd, when I heard the Bloc speak today there was no mention of the fact that David Cliche, whom I like, although we disagree philosophically—he is a separatist and I am a federalist—went to the Attikamek and Montagnais and offered \$400 million. That is not ancient history; that was a few months ago. Nothing was said about this, but he presupposed that \$300 million of that was federal money. While Quebec was taking all the bows—I see the Bloc member smiling, but that is correct—and David Cliche was taking all the bows and Premier Parizeau was in the glow of this, \$300 million of the \$400 million was our money.

I remember one Bloc member standing up saying “I am here to defend the taxpayers of Canada”, which is what they were elected for. They are not here to separate the country—they have said that themselves; they are here to do their jobs. I do not remember one Bloc member ever standing up and saying maybe we have too much money in there. I think this is the first time it has even been mentioned that \$300 million of that \$400 million came from the federal coffers. Luckily, in a way, the agreement was rejected.

There are also important developments involving the Huron–Wendat First Nation right next to Quebec City. This is interesting about the Huron. At one time the Huron were the largest of the six nations and a profound part of our history. Through disease, war and what we have done, they now have only one reserve, which is near Quebec City at Loretteville. It is very sad when this happens. We read so much about the Huron in the books. There are a few in the United States, but only one reserve in Canada.

I met with Chief Max Gros–Louis in November 1994. An understanding has been reached among the federal, provincial and Huron–Wendat negotiators to recommend the framework agreement for very important negotiations of the application of the Murray Treaty.

I have several pages on the Mohawk, who we hear about every day. I will skip over that, because my time is getting short. I will mention that it is working. The Mohawk round table is not the end—all, but it works. We are now talking to the Mohawk. Judge Réjean Paul is there and Michel Robert is there. It works. This government came in, and there are no more Okas. We talked and negotiated and dealt fairly with the Mohawks of Canada.

We are working with the Inuit, the Cree, the Naskapi, the Montagnais, the Algonquin, the Attikamek, the Huron, the Malecites, the Micmacs and the Mohawks in Quebec. I cannot remember a time ever in the history of the country when any government could say there was movement with all of these people. That is what is important, not the fact that the Bloc comes here today on behalf of the Government of Quebec and tells us there is money owing.

(1300)

It is important for us to work together when it comes to aboriginal people. We can do a good job. As things are going now, this country is not going to separate so we had better start talking about the future. We had better not have such deep wounds that we cannot heal them. That could happen even here. We could create such deep wounds that we could never heal them. We have to decide what is important to us collectively.

The Bloc member for Saint–Jean is out there in the field. He is probably one of the more knowledgeable, maybe the most knowledgeable person in opposition on what is out there with the aboriginal people. He brings the concerns of food mail to this House. He brings the concerns of aboriginal people across this country. He made one mistake by going door to door in a Mohawk village and almost got kidnapped by the Mohawks because they did not understand he was a member of Parliament, but these things come and go.

We have to establish what is important to us and what our values are as people. If we do that, this country will survive and we will do a good job for the aboriginal people.

[*Translation*]

Mr. Pierre de Savoye (Portneuf, BQ): Madam Speaker, I took the liberty of jotting down a few points while the minister was speaking. I must say he has given us an extraordinary lesson on aboriginal culture, and so we have not really completely wasted our time, since, let there be no doubt, we have a lot to learn from this culture.

You see, our purpose today was not to talk about aboriginal culture, which has its merits, but to talk about the money the federal government owes the Government of Quebec. It is just money, nothing important. It is just money after all. It does create a few minor problems, however. It is easy enough to say: there was a crisis at Oka, which is in Quebec, so it is not a big deal; Quebec can pay the costs or take the matter to court. Whose responsibility was it to deal with the native people? The federal government's. Now if I have properly understood the minister, given that the native culture has so many fine qualities, if the native people got angry at some point, it was because the federal government had not done its job. If it did not do its job, it has to assume the consequences.

Supply

So you see the matter is a simple one. The minister says that federal money would be used to reimburse the Government of Quebec for what it paid out. Yes, but, there is a problem here. There is a fundamental error in logic. It is not federal money, it is taxpayers' money. While the Liberal government may have red on its banner, it is not wearing a Santa Claus suit. It does not print money. It gets its money out of the taxpayers' pockets. Try asking the Minister of Revenue to wait two or three or four years for his tax money, try saying to him: "We will go to court, and it will get settled that way". It could create a few problems for any taxpayer foolish enough to try.

No, it is not federal government money, it is taxpayers' money. The shoe starts to pinch when Quebec taxpayers have to pay twice—once when they pay their federal share and once when they pay the provincial government. Who is supposed to pay the costs the federal government is responsible for? Good heavens, the logic is simple. It is the logic of integrity. It is the logic of honesty. It is the logic of "I paid out money for you under an agreement, I sent you the bill for it, you agreed to pay it—well, pay it then". What was the answer to this? It was: "See you in court. We want all the details on these invoices". Well, good heavens—I certainly could not talk about good faith here.

I would be tempted to suggest to the Quebec Minister of Revenue that he set aside from the GST money he collects an amount equal to what the federal government is refusing to pay, in the form of a guarantee. Once the federal government pays its bill, the Minister of Revenue will release the money. If this is the sort of language we have to use, then this is the way we will have to put it: \$300 million out of \$400 million.

(1305)

The minister says: "Mr. Cliche, in Quebec, has offered aboriginals \$400 million". He forgot to say that \$300 million came from the federal government, in fact not from the federal government but rather from the taxpayers. If the federal government is so broke that it has to squeeze tax dollars out of taxpayers and cannot afford to hand over that money to Quebec, then it should separate from Quebec. Quebec then would be able to pay \$300 million out of those \$400 million since it would save a tidy sum of \$30 billion.

The minister was very nice in his speech, very kind. Unfortunately, he did not address the motion before the House. To conclude, I have this question for the minister. In his speech, the minister said right from the start that they were going to vote against the Bloc's motion. Could he tell us therefore what we are doing in this place all day long? Is it an exercise in futility? Those people say from the outset that they are not going to listen, that they are going to vote against the motion. Are we wasting our time? No, we are not wasting our time because those who are watching us on television will know the truth and have a

very good reason to resolve the issue this fall by voting in favour of Quebec's sovereignty and making Quebec a winner.

[English]

Mr. Irwin: Madam Speaker, I want to remind the hon. member that we spend \$351 million a year in the Quebec region for aboriginal people. We spent \$980 million on the Crees, \$552 million on the Inuit and \$69 million on the Naskapi, for a total of \$1.6 billion.

[Translation]

We already gave Quebec \$450 million for education.

[English]

Maybe I should not bother to mention it but \$450 million of our money went to Quebec on education.

The Minister of Intergovernmental Affairs has expressed the problem we have. Quebec is saying that the Government of Canada owes 50 per cent but we have no say on the amount of money spent. We have no say vis-à-vis education with the province of Quebec. It will call the shots. That is not partnership. That is: "I am doing it. I will send you the bill and you pay it".

At the same time, I wrote to Madam Beaudoin in April saying that I would put my senior officials at the table to see if there is common ground. We will count the various moneys owing to see if we can find a just solution. The Minister of Intergovernmental Affairs has done the same thing but he has gone further and has met with her. We are trying to do this in a practical manner.

I tend to agree with the Reform Party on one point. There are a lot of games being played here today. The issue is not what is owing to Quebec, the issue is separation. No matter which way we cut it, this is it.

The problem I am having is that the onus is not on this government to prove why separation is better. The Bloc is having a difficult time with it. It is having a difficult time explaining to Quebecers how they will be more sovereign if Quebec separates.

The reality is that with GATT, with NAFTA, with what we are doing with aboriginal people and within the cultural community, there is more sovereignty for Quebecers under federalism. There is more. They are starting to realize that. The Bloc is failing in its argument. It is up to its members to put their argument and convince Quebecers, not us.

[Translation]

Mr. Ghislain Lebel (Chambly, BQ): Madam Speaker, the minister just said that they gave \$450 million towards the education of native people in Quebec. They have already used this argument three or four times on the government side. But if the bill comes to \$600 million, it must be paid in full.

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When I bought a car, and was told by the salesman that it came to \$30,000, I did not stop paying at \$20,000, saying that it would have to suffice, that it was too much. I had to pay the whole amount, and live up to my commitment.

Earlier, the Minister of Intergovernmental Affairs talked about the principles of fairness and good management; he really laid it on thick. But last year, around the same time, when we asked for a royal commission on the Pearson deal, for the sake of good management and good administration of public funds, we were told that it was not possible because time was of the essence. The whole matter had to be settled quickly for the economy to keep going, and the country to function.

(1310)

One year later, what is the situation, Madam Speaker? We are not too sure. Bill C-22 is in limbo, floating around somewhere. What was supposed to cost \$25 million, according to the transport minister himself, has now sky-rocketed to \$450 million. Why is it that today, when Quebec and Quebecers are asking for what they are owed, all of a sudden the government invokes these same principles it refused to apply to the Pearson deal, even though a Liberal inquiry recommended legal action?

I would like someone to explain this to me. How could the minister change that much within a year to the point of being unrecognizable?

[English]

Mr. Irwin: Madam Speaker, in the James Bay and Northern Quebec Agreement there are shared costs for instance for infrastructure, water, sewers and so on which we have paid. We are doing the accounts on that. It would be as inappropriate for us to send the bill to Quebec saying to pay it without question as I think it is inappropriate for Mrs. Beaudoin to say: "Here is the bill. Don't let a senior civil servant field it. The Minister of Intergovernmental Affairs and I will deal with it. We will just cut a political decision".

I do not think, when we are dealing with large sums of money, that we can do these things that way. There has to be proper accounting. Senior civil servants who have the expertise have to sit down and do the accounting. That is all this is, an accounting. We accept that. What we do not accept is the Bloc using it as a political ploy which it is. We accept it as accounting within our normal relationship with Quebec, or any province in Canada from B.C. to Newfoundland.

[Translation]

Mr. Claude Bachand (Saint-Jean, BQ): Madam Speaker, as critic for Indian affairs, I will speak mostly about two of the claims that are before us today. I could have chosen to get directly to the point, but I thought it would be useful to look at what Quebecers could do with \$300 million, since this is

approximately the amount of the claim submitted to the federal government which is now being discussed in the House.

There are quite a number of things Quebecers could do with \$300 million. The first one that comes to mind is probably, as Minister Paillé said, an investment fund with a greater accent on venture capital, that would give young entrepreneurs with creative ideas the opportunity to go into business. We could create 50,000 to 100,000 jobs with such a fund of \$300 million.

There is chronic unemployment in Quebec. The unemployment rate has always been higher in Quebec than in the rest of Canada, because of decisions made here, in this House, where we often choose to establish heavy industries and other important job creating activities outside Quebec. We are stuck with an unemployment insurance fund and we are being told: "You are lucky because we give you more money than you give us. We return more money to you in unemployment insurance, social assistance, and education transfers". Listen, you do not build a society with unemployed persons and welfare recipients. These people are hard pressed right now, and we have to put them back to work.

I think it is appropriate that we should question the government today, that we should introduce a motion which says: "Listen, ladies and gentlemen, pay your bills. You owe us \$300 million".

I will now move on to the Oka question. Originally, the bill was for \$84 million, but the Liberal government finally paid \$5.3 million in 1992. At that time, the government looked at our claim and said: "We are paying \$5.3 million, but the remainder is not eligible". Why is it not eligible? There is practically no reason. I remind you that, at the time, the Quebec government was Liberal and federalist. The man in charge was our former Minister of Social Security, the ineffable Mr. Ryan, that everybody knows and who tangoed with the federal government.

(1315)

He danced the tango in step. Mr. Ryan kept complaining, and the federal government kept sending him letters saying: "You are exaggerating, we will not pay that much, we will give you \$5.3 million, but as for the rest, the \$79 million, forget it."

Mr. Ryan kept dancing with the federal government, he kept exchanging letters with the federal government, and he kept wringing his hands in the federal government's headquarters here in Ottawa. He kept writing to ministers tearful speeches, saying you must resolve this for us.

However, we never saw him demanding publicly the federal government to pay the bill now, as the current Quebec government is now doing after so much pussyfooting. We know the federalist mind of Mr. Ryan, as I said, the ineffable Quebec's Minister of Public Security at the time, and we understand that he was content to dance the tango privately with the federal government and never dared to do it publicly. So, we are doing it today.

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Why do the expenses not qualify? We do not know, except that, with the Parti Québécois' arrival in power in 1994, as early as December 1994, the then minister of public security was asking his counterpart for the reimbursement. What happened then is exactly what the minister wants to take us into today. "We will do it with the auditors and the high officials. I suggest that we meet".

For five years, it has been only meetings. For five years, we have been told that officials would get together to try and resolve the issue, that the auditor general would also be asked what would qualify and what could be paid.

It was a disaster that happened in Quebec in 1990, a disaster that had an effect not only in Quebec and in Canada, but also internationally. Several courts, several international fora dealt with the Oka events. I think that Quebec qualified under agreements signed between the federal and provincial governments and providing for such a disaster.

Was it a disaster? I think that I could talk about it for hours, because I certainly experienced the events, I saw them, I saw the federal government's negligence in the Oka crisis. From our point of view there definitely was a major crisis in Oka affecting not only native people but Quebecers also.

It has become obvious that in the beautiful region of Oka located near the Deux-Montagnes lake, where I go on a regular basis, the tourist industry has been completely wiped out. That region has become a desert from a tourism point of view. No one goes to Oka any more. There are still events in Oka which prove the carelessness of this government which sits around idly and waits for things to take a turn for the worse. What is happening during that time? The economy of the area and surrounding areas is in bad shape, as a result.

Some officers of the Sûreté du Québec had to spend weeks in Oka at that time, far from their families. Who is paying the bill? The government of Quebec is paying the bill, at present. As I said earlier, there are agreements where in case of a disaster there has to be some sort of sharing. In this case, Quebec is the only one to pay the bill, except a paltry \$5.3 million.

This government is still showing carelessness today. Just a week ago a good friend of the Liberals, Michel Robert, was appointed to the Quebec Court of Appeal. This man is a close friend of the Liberals, the red lawyer par excellence, a man who was on all strategic committees of this House, including the Security Intelligence Review Committee.

That man played a key role in the Kanesatake negotiation. I talk about carelessness because I also know the native people's philosophy. According to their philosophy, you cannot suddenly say that you want to negotiate, to set a timeframe and solve everything in three days. This is not the way things work with them. You need time to gain their confidence. I must say however that Mr. Robert is a very good and very competent negotiator.

(1320)

However, after only seven or eight months, as we were beginning to see the light at the end of the tunnel, this government appointed Mr. Robert to the Court of Appeal and there we are, back to square one. What I am saying now is that the federal government is controlling the pressure in Oka, as he did in 1990. It raises or lowers the pressure depending on the political context. Today, we are claiming \$79 million, knowing that this government has not done anything since 1990 to settle the problem in Oka. In this context, I think the claim is legitimate. As I said, it is another example of the carelessness of this government.

What were we supposed to do in Oka? The major part of this claim relates certainly to the presence of police officers there. What evidence is needed to convince the government? Maybe a videotape would do? They are quite in fashion. As was shown recently, the government opposite only reacted when they saw videotapes.

I recall events in Oka when the Sûreté du Québec was systematically sandwiched between aboriginal people and their opponents. I saw police officers torn to pieces. I saw on video some of them, accompanied by friends, being carried out on stretchers, because they had tried to separate two camps which were trying to cut each other's throat, so to speak.

Now we are told: "You take care of that yourselves. Public security is Quebec's responsibility." We do not worry about the fact that we are the trustees of aboriginal people, that we pay them and that we give a certain amount to the Oka band council every year. We simply continue to pay. You, however, will continue to pay the bills when things go sour, and also when we decide that things are taking a turn for the worse.

I think that Quebec's \$79 million claim for these expenses is quite legitimate. And I think that the Quebec government did the right thing during that crisis by putting the Quebec provincial police between the two factions that wanted to have a go at each other.

They always fall back on the argument that things will be monitored by the auditor general, that senior officials will sit down together and keep an eye on things. I think that the problem is on the federal side. We should appoint an auditor

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general who is above everyone and can check on the conduct of this department, which not only increases or eases the pressure as needed, but also perpetuates through dilatory tactics the financial confrontation between Quebec and Canada. That is the problem. The federal side does not want to settle the problem.

Whenever we present them with a bill, it is quite normal for them to tell us, "Let us sit down together and look at this with our officials". What Ms. Beaudoin wanted was a political settlement. She wanted to meet with the Minister of Intergovernmental Affairs and settle this bill once and for all. However, the minister's solution is, as always, to perpetuate the problem. He says that the matter will be considered, that his senior officials, his faithful servants, will meet with us, but he refuses to settle the problem. The federal government will not settle the problem. So we are always caught in an ongoing financial confrontation with the government, and this confrontation may go on if a motion like this one is not adopted. Today's motion has launched a broad debate in which we are trying to convince the people opposite that they must pay their bills and settle their accounts.

I now move on to James Bay. We know about their open mindedness. The minister gave us a very good presentation on what is happening in Quebec in terms of culture. I could give a presentation, but I would rather answer the questions of Quebecers waiting for \$300 million from the federal government. I could talk about the Naskapi, the Cree, the Inuit for hours, but that is not the subject of today's debate.

Neither is the fact that we always have to wait for money—taxpayers' money, of course, as my colleague pointed out earlier—from the federal government. We cannot say that the federal government does not give any money. It must give some. Because they are the trustees of Canada's aboriginal people, they must provide these people with a minimum standard of living. I do not deny that the federal government has given money for that purpose. So has the Quebec government.

(1325)

Let me quote statistics showing that, as far as education is concerned, the Quebec government did not rely on the federal government. Otherwise, I think the James Bay Cree would have been in a really bad position.

How does it work up there? There are three school boards; the Cree, the Inuit and the Naskapi each have their own. Costs sharing was on the basis of a gentleman's agreement.

Here is how costs were shared at the time. I have the table before me. I read that, for the Cree-Naskapi, the Quebec government was to pay 25 per cent of the costs involved, and the federal government, 75 per cent. For the Inuit, the percentages were reversed, with the Quebec government paying 75 per cent, and the federal government, 25 per cent. We, in Quebec, care

about native education. I cannot give you the exact figures, only the conclusions drawn from these statistics.

In terms of language retention, the Cree, Inuit and Naskapi do better on average than natives in the rest of Canada. By language, I do not mean French or English, but their native tongue, which is Cree. Their language retention rate is clearly higher than in the rest of Canada and we have Quebec and the James Bay agreement to thank for that, for this agreement is a model in Canada and several aboriginal nations used it as a basis for negotiating with the federal government. I might add that the federal government often refers to this agreement because, as I said, it is a model.

Enrolment rates are also higher than for other native groups in Canada. As for health, because they are more educated—this is an important consideration—aboriginal people have an infant mortality rate lower than the Canadian average. The life expectancy in these three groups is higher than in the rest of the native community in Canada. We can say that as far as the Cree, the Inuit and the Naskapi are concerned, the Government of Quebec has taken its responsibilities.

The government never accepted to sign the agreement—it is a gentleman's agreement—and things went well until 1987. Starting in 1987, the basis of calculation changed drastically. Indexation was introduced, but without taking into account the birth rate, which, incidentally, is twice that found in the rest of Canada. Aboriginal peoples are currently a very strong drain on the budget. The problem is easy to understand. The aboriginal population is growing twice as fast as that of the rest of Canada.

With regard to adult education, it was found that a whole generation—and that is true everywhere in Canada—of aboriginal children were removed from their families and taken far away, in an attempt to make them forget their culture and their language. A whole generation, the one which preceded us, of aboriginals completely missed the boat in terms of their culture, their language, their recognition as a people and, of course, their education.

There is some catching up to do regarding adult education in Quebec's far north, and these people are working on that. There is also an increased demand for services such as daycare, etc. Aboriginal people in the far north have access to the latest technology and knowledge, which allows them to have very adequate education conditions, compared to the rest of Canada.

What is the federal government's reaction? It says that it will pay back, but based on an indexation criteria, instead of complying with the terms of the convention in effect at the time. This government does not intend to pay its share in the current year.

The finance minister's budget does not allocate any money to repay the federal government's share under the James Bay agreements. Earlier, the minister said that the government gave \$450 million. I want to correct him. He made a small mistake. The amount is in fact \$465 million. The government gave more than the minister said it did. The problem is that if the original

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agreements had been respected, the federal government would have had to pay \$584 million. This shortfall of \$119 million is what we are claiming today.

I would like to quote another minister of the Quebec Liberal government of the time, who is now the Minister of Labour in this government.

(1330)

With three minutes left, I have just enough time to explain what the education minister of the Quebec Liberal government was doing back then. She too was waltzing with the federal government. She took over from Claude Ryan, her colleague responsible for public security, and sent her deputy ministers to Ottawa with this message: "Listen, this does not make any sense in the education sector. You have to pay us back". A number of meetings were held but, of course, the federal government did nothing.

My conclusion is what could Quebec do? What could the Quebec government do, given the federal government's negligence and inertia? Should we follow the example of the Blood Indians and the Blackfoot nation I visited in Central Canada and tell young aboriginals: "Sorry, we do not have the money this year, so you will not be sent to school". We did not do that. Even if the federal government is not paying its share, Quebecers have decided to support the rights of native peoples in Quebec, and young aboriginals are going to school.

Lack of funds will not prevent a single child in northern Quebec from going to school. The Quebec government has decided to take on this responsibility. What were we supposed to do in Oka? Withdraw all police forces and let people fight? We had an ethical vision of our responsibilities, and the Quebec provincial police assumed a commendable attitude throughout the crisis, trying to prevent such fighting. Having said that, I would ask the federal government to abide by this gentlemen's agreement. Up to now, this side of the House has behaved in a gentlemanly way. I hope members opposite with the same mindset will keep their promise and pay what they owe to Quebecers.

Mr. Martin Cauchon (Outremont, Lib.): Madam Speaker, I want to thank you for giving me a few minutes to reply and maybe put a question to the member opposite. While listening not only to that member of the official opposition but to all the members of the official opposition today, I kept wondering if we were living in the same world. I must tell you that, sometimes, I think I am dreaming.

Today, these people are really speaking against Quebec's interests. They claim they want to protect the interests of the province of Quebec, but in fact they are trying to fool the people

in Quebec, who are mature enough not to fall into the totally partisan trap the Bloc Quebecois has set.

The official opposition is asking the federal government to act irresponsibly, but this could have serious consequences at the political level. As the Minister of Intergovernmental Affairs said clearly this morning in the House, he has to manage the public funds, a good part of which comes from Quebec taxpayers. As a Quebecer, I am entitled to expect governments to efficiently manage public funds and also to maximize their benefits and manage them in the best interests of the population.

This is exactly what the Minister of Intergovernmental Affairs is doing. He oversees the sound and responsible management of the public funds in the best interests of the Canadian population and also, needless to say, in the best interests of the people of Quebec. The minister told us this morning that he did everything he could. He helped Quebec as much as he could by providing advance funds. Basically what I would like to ask the member of the official opposition is this: From what I understand in the motion before the House, would he rather see the federal government act irresponsibly and foolishly and waste the taxpayers' money? I do not think that would be in the best interests of the province of Quebec.

(1335)

When we look a little more closely at this motion tabled by the Bloc Quebecois, we find once again, and it could not be any clearer, that the members of this party are not defending the interests of the people of Quebec in general, but that they are—and I will have the opportunity to come back to this later today—putting forward their own agenda, which is the separation of Quebec.

I believe that the situation or the problem is clear: we have a responsible government versus people whose aim is complete negligence. When we look at the situation, and I am a Quebecer, the answer is clear. It is obvious that I support the Minister of Intergovernmental Affairs whose aim is, first and foremost, sound management of the taxpayers' money.

Mr. Bachand: Madam Speaker, my colleague for Outremont is probably dreaming. He said so himself. I think it is just wishful thinking. As for us, we are having a nightmare listening to such remarks from a member who comes from Quebec. I would ask him to go back to his riding and ask his constituents, who also pay taxes to the federal government, if they agree that these services should be paid for by the Quebec government alone.

Can his constituents and mine say that they will give Ottawa \$300 million less to pay this bill? The present system does not allow it. Therefore, it is Quebec which must pay and which comes up short. I find it sad that a member from Quebec would make such remarks.

The Minister of Intergovernmental Affairs is really acting in the public interest. I think he is acting in Ottawa's interest and that, as a member from Quebec, he is forgetting that, when the people of a province pay taxes to the federal government, they are entitled to certain services in return. That is what today's debate is all about.

We claim, with good reason, that Quebec was willing to honour this gentlemen's agreement but that the federal government has not honoured it. It owes Quebec \$300 million and it must pay its bills. That is what it must do in the public interest. It has been five years in one instance and eight years in the other that all audits have been completed. Now the time has come to pay, and we are asking the federal government to do so.

Mr. Nick Discepola (Vaudreuil, Lib.): Madam Speaker, today's debate covers a broad range of federal government activities, and this interjection shows how desperately the Bloc Quebecois is trying to bolster support for the scenario rejected by a majority of the citizens of Quebec.

The Bloc is obviously hoping to discredit the federal government, but to no avail, for we are seeing a boomerang effect here again today. In fact, this debate provides an opportunity to appreciate the extent of the federal government's prerogatives and responsibilities.

One of these responsibilities is addressed through the fiscal stabilization program created under the federal-provincial fiscal arrangements and Federal Post-secondary Education and Health Contributions Act. The purpose of the stabilization program is to provide protection to provinces in the event of extreme downturns in economic activity.

More specifically, provinces faced with a year-over-year decline in revenues due to a downturn in the economy, such as the last recession, have access to financial assistance, subject to specific rules set out in the act.

[English]

The compensation authorized by the stabilization legislation is based on the province's year over year absolute decline in a province's eligible revenues subject to three constraints. First, changes made by the province in the rate or in the structure of its provincial taxes must be factored out when measuring revenue declines. The program compensates for revenue declines due to business cycles and not for declines due to provincial decisions to reduce taxes arbitrarily.

(1340)

Second, declines in resource revenues are subject to stabilization only if and to the extent that the annual decline exceeds 50 per cent. Third, since 1987-1988 the maximum grant payable to a province is limited to \$60 per provincial resident. Assistance

Supply

above that limit is at the discretion of the Minister of Finance and would take the form of an interest free loan. The litmus test in assessing eligibility to the stabilization program is whether there is or was a drop in revenues due to general economic conditions.

The stabilization legislation and regulations provide very detailed rules about how to measure provincial revenues and how to adjust for changes in taxation. It is these very same rules that were applied consistently in dealing with all provincial applications as the act requires us so to do.

Stabilization is a program for exceptionally hard times, which explains why only three provinces have received federal stabilization payments up to 1990. British Columbia received \$174 million for the fiscal year 1982-83; Alberta, \$419 million for fiscal year 1986-87; and Ontario received \$227 million for 1990-91.

In order to be considered for stabilization payments, a province must make a claim to the federal Minister of Finance not later than 18 months after the end of the year to which the claim should be applied.

[Translation]

Last December 7, the Minister of Finance, Paul Martin, announced payments totalling \$782.4 million in response to applications from the provinces under the stabilization program, including \$418 million for fiscal year 1991-92.

These were final payments for 1991-92 in the case of seven applications, and interim payments for 1992-93 in the case of five applications.

Despite all the insidious and unfounded insinuations of the Bloc Quebecois, these applications were processed according to the letter and the intent of the fiscal stabilization program legislation. All provinces were put on the same footing.

The Bloc Quebecois has implied that the federal government used delaying tactics in settling Quebec's claims.

I urge the hon. member who moved the motion before the House today to ask his own leader about the meaning of the term "delaying", since he is an expert on the subject.

[English]

With regard to the 1991-92 fiscal year, the Minister of Finance made final payments to five provinces: Newfoundland, \$3.1 million; Nova Scotia, \$55 million; Prince Edward Island, \$5 million; Ontario, \$284.4 million; and Manitoba, \$42.9 million.

The claims made by two additional provinces, Saskatchewan and Quebec, were found not valid under this rule set out in the act.

*Supply**[Translation]*

Quebec's application for 1991-92 was not approved because there had been no decline in revenue due to the business cycle, which meant that according to the regulations, there could be no compensation. That is all.

There was no question of unfair treatment, political intrigue or partisanship.

The Minister of Finance also has the authority under the legislation to make interim payments to a province where applications are supported by currently available data.

For instance, on December 7, 1994, the finance minister announced that interim payments be made to five provinces based on fiscal year 1992-93, which included \$125 million for Quebec. In this case Quebec's application was valid, and the federal government paid.

(1345)

I dare the Bloc Quebecois to make the same fuss about the payment made to the Government of Quebec for 1992-93 that it made to discredit the federal government concerning payments for the fiscal year 1991-92.

In concluding, decisions by the Minister of Finance on all provincial applications for stabilization are made in accordance with the legislation and regulations. Furthermore, they treat all provinces in a manner that is consistent and fair. These decisions are final.

The stabilization legislation does not provide for arbitration mechanisms. If Quebec wants to challenge the legality of the federal decision, it has one recourse: to appeal before the courts.

Those who call this courtroom federalism do not know what they are talking about. This year, the Government of Canada will pay about \$11.7 billion in federal transfer payments to the Province of Quebec. That is what I call constructive and positive federalism.

I will vote against the motion of the Bloc Quebecois because it denies the facts and adds absolutely nothing constructive to this debate.

[English]

Mr. Ian McClelland (Edmonton Southwest, Ref.): Madam Speaker, we are speaking today on the opposition motion of the member for Mégantic—Compton—Stanstead regarding Quebec's financial demands. This should not be the greatest surprise we in the House have ever had when speaking to a Bloc supply motion on Quebec's financial demands, especially for those of us who come from Alberta, British Columbia or Ontario who have been well versed in Quebec's financial demands for quite some time.

The motion we are debating is at the core of discussions concerning why the Bloc is in Parliament in the first place. It is a

sad situation. The vast majority of Canadians look to Canada as a home and a federation of 10 provinces because we are Canadians. We do not boil the reasons for being Canadian down to the bottom line on a balance sheet asking what is in it for us.

Many times when members of Parliament are debating in committee the Bloc Quebecois—in fairness it is doing exactly what it said it would do—is thinking solely about any policy or law as it directly relates to Quebec. The question for them is always how to protect what we have already while at the same time perhaps getting a little more, wanting complete independence but ensuring we get all the support we have had in the past and what we may want in the future.

(1350)

To be spending a day of debate in the House on this motion is not a major surprise. The Reform Party came to Parliament with basically one overriding priority, to put the financial affairs of the nation right. The overriding priority of many people who supported the Reform Party and I am sure the government and the Bloc as well was to get our financial affairs in order.

That should still be the number one priority of Parliament. It must be the number one overriding priority of our colleagues from the Bloc.

When I say financial affairs I mean everyone in Canada including in Quebec. Unless we get our financial affairs in order what will we be left with? What is the point of having an independent bankrupt Quebec? There is absolutely no point in it. The whole notion of splitting the country and expecting the halves to have the same critical mass and to be as successful as we are as a combined unit is crazy.

There are areas which would benefit right off the bat, for instance those parts which have through equalization payments been pouring billions of dollars eastward, much of which found a home in Quebec for many years. We are not talking about sovereignty association, we are not talking about splitting up the marriage but retaining bedroom privileges. We are talking about a new house, a new street, the whole shebang. Would the people of Quebec think for one minute that equalization payments or transfer payments from the rest of the country would continue to flow into Quebec? Of course not.

Conversely, all the benefits Quebec brings to the country would also be denied the rest of the country. That is how we would be hurt dramatically by this notion of our colleagues and friends from the Bloc who would want to take Quebec out of Canada.

I have been talking about the financial implications because it is the gist of the Bloc's motion, the financial implications of Quebec in Canada. The bias of the motion, the bias of the Bloc is it wants to make darn sure it will get more out of it and not lose anything even if it splits.

If we go beyond the bottom line on the balance sheet and talk about what will happen to the country if Quebec takes a hike, the costs will be far more than financial. It will cost us a tonne in terms of our own sense of self-worth. It will cost us dramatically in terms of what it means and what it is to be a Canadian, the culture we share together. That we have been able to nurture in an island the French fact in North America in a sea of almost 300 million people, that we have a vibrant, strong, successful, exciting Quebec and French culture here in our midst would be lost.

A separate Quebec would find itself very quickly becoming far more worldly in its outlook and far more accommodating to speak the language of whomever would come in to spend money.

(1355)

Since I have been living part time in Ottawa I have, as often as possible, taken the occasion to vacation and spend weekends in Quebec, particularly in Montreal. I have come to cherish the time I spend there. A couple of weekends ago one of my sons visited from Vancouver. I am trying to persuade him to go to university in Montreal. I want him to have a sense of what our country is all about. Quebec and the French fact and the Quebecois are so vitally a part of our collectivity as a nation I feel if he did not partake in that he would be losing something in his life.

He lives in Vancouver. We went to Montreal and he had some trepidation because although he has taken French in school for about nine years he cannot speak a word of French. If we do not use it we cannot learn it. He wondered how he would be received as an English speaking Canadian. He is 17 and he was a little nervous about it. Every experience he has had and I have had has been one of complete comfort. People bend over backwards to be accommodating, kind and generous.

That weekend in Quebec turned his mind around. I wonder how many unilingual French speaking people in Quebec who have travelled to other parts of Canada have been treated with the same compassion, understanding, care and politeness. I wonder if we could get more people to look beyond the balance sheet of what it is to be a Canadian and to look at the value of what English Canada and Quebec bring to this united body.

I ask Bloc members to consider what I have said as this great debate unfolds.

[*Translation*]

The Speaker: The hon. member for Edmonton Southwest will have the floor when we resume consideration of the business of supply following question period.

[*English*]

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

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STATEMENTS BY MEMBERS

[*English*]

GM RETIREES

Mr. Walt Lastewka (St. Catharines, Lib.): Mr. Speaker, it is my pleasure to welcome to Ottawa several GM retirees and their spouses. They have come from Niagara to visit the House of Commons and the Canadian Museum of Civilization in Hull and to enjoy the hospitality of our nation's capital.

My former colleagues and friends, some of whom are veterans, have come to join in the celebration of the 50th anniversary of the end of the second world war and to enjoy the magnificent tulip festival.

Today I pay tribute to the GM retirees and their spouses and wish them all the best during their visit here in Ottawa.

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[*Translation*]

QUEBEC WOMEN'S MARCH

Mrs. Madeleine Dalphond-Guiral (Laval-Centre, BQ): Mr. Speaker, on May 26, women of Quebec will go on a long march, which will end up in Quebec City. Hundreds of women from every community and every region of Quebec will gather to repeat the action taken by American women factory workers at the turn of the century.

Their slogan was: Bread and roses. The women of Quebec will use the same slogan this year. The bread represents the need to work and the roses, quality of life. The women will remind the people of Quebec of these two essentials.

To help them achieve financial equity, women are demanding a social infrastructure program, jobs, social housing and real access to programs providing general training and job training.

The Bloc Quebecois congratulates the women of Quebec on their initiative and wishes them a successful march.

* * *

[*English*]

JUSTICE

Mr. Bill Gilmour (Comox—Alberni, Ref.): Mr. Speaker, the justice minister has been stonewalling Patrick Kelly's application to review his case for a year and a half.

Kelly, a former RCMP officer, is in jail for allegedly killing his wife but now the key witness admits that she lied on the stand. The review of Kelly's case has dragged on and now the justice minister wants Kelly's lawyer, Clayton Ruby, to sign a gag order before documents key to Kelly's case will be released.

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The justice minister said:

We will disclose all of those records that are relevant to the issues raised in the application and that will be done.

Now the minister is placing roadblocks in front of Kelly's lawyer.

Why the secrecy? The information being withheld from Mr. Kelly was collected at public expense by a public agency for use in a public prosecution. What are the Liberals trying to hide and what is in the documents that the Liberals are afraid of?

Why is there no justice in Mr. Kelly's case?

* * *

CHINESE CANADIAN ASSOCIATION OF PUBLIC AFFAIRS

Mrs. Anna Terrana (Vancouver East, Lib.): Mr. Speaker, it is a pleasure to welcome to Ottawa the hon. Darlene Marzari, B.C. Minister of Municipal Affairs; Mr. George Ford, her deputy minister; His Worship Greg Halsey-Brandt, mayor of Richmond and chair of the Greater Vancouver Regional District; Her Worship Beth Johnson, mayor of Delta; Hew McConnell, manager of GVRD; and 15 young ambassadors of Canada.

Every year the Chinese Canadian Association of Public Affairs sends a number of students of Chinese origin to Ottawa for a week of meetings with parliamentarians and leaders of the House parties.

[Translation]

Yesterday, I was pleased to have a number of young men and women visit my office. They were accompanied by the organizers. I have encouraged young Canadian students to take part regularly in the political process.

[English]

Let me thank the Chinese Canadian Association of Public Affairs for offering young Canadians such a great experience.

* * *

TERRORISM

Mr. John Finlay (Oxford, Lib.): Mr. Speaker, within every cloud there is a silver lining.

Over the past few weeks we have all been exposed to the realities of terrorism. The Oklahoma City tragedy has forced us to realize that terrorism can happen even in North America.

I am happy to say that two women in my riding did not just sit back in the wake of the bombing. Janice Koekebakker and Linda Mathews, nurses in Woodstock, Ontario, spent a week in Oklahoma City providing first aid treatment and consoling rescue

workers. The city of Woodstock and the Woodstock Rotary Club should also be commended for helping to offset the expenses of these fine nurses.

The London *Free Press* wrote in its recent editorial honouring these two nurses: "There are things all of us can do if we just decide to do them". These women realized that there was something they could do and they were able to provide an important service in a difficult time.

I thank these women on behalf of all of us.

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THE LATE HECTOR TOE BLAKE

Hon. Warren Allmand (Notre-Dame-de-Grâce, Lib.): Mr. Speaker, I pay tribute to Hector Toe Blake who died yesterday in Montreal. Toe was the greatest and most successful hockey coach in the history of the National Hockey League. He was also a great leftwinger.

As a coach he won eight Stanley Cups in 13 seasons. As a player he played for 15 seasons with the Montreal Maroons and with the Canadiens. He was on three Stanley Cup teams, one with the Maroons and two with the Canadiens.

He won the scoring championship and Hart Trophy in 1938-39 and the Lady Byng Trophy in 1945-46. He was a leftwinger on the punch line with Rocket Richard and Elmer Lach, one of the most colourful and prolific scoring combinations in hockey history.

He was named to the Hall of Fame in 1966, was on the first All Star team as a player three times, on the second All Star team as a player twice, and as coach of the All Star team nine times.

Toe Blake will be missed and long remembered in Montreal. I think all Canadians will pay him tribute on this sad day.

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[Translation]

CHECHNYA

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, since the Prime Minister's discussions with President Yeltsin, the Russian army has been relentlessly bombarding Chechen positions and is continuing to bomb civilian populations.

In an effort to have done with the Chechens once and for all, the Russian army is preparing to launch its elite corps in a final assault against Chechnya. We have a hard time understanding how the Prime Minister could say he was confident that the army had already been replaced by the regular Chechen police force, as President Yeltsin had assured him.

The Prime Minister claims he put pressure on his Russian counterpart, but he also said that his first priority was trade. Today we are seeing the results. In addition to undermining Canada's credibility, the government's double talk leads nowhere.

* * *

(1405)

[English]

FOREIGN AFFAIRS

Mr. Jack Frazer (Saanich—Gulf Islands, Ref.): Mr. Speaker, the situation in the former Yugoslavia has deteriorated to the point where it is surely time for Canada to take action which reflects the reality there.

The Prime Minister says that Canadians do not cut and run when the going gets tough. Reform supports that stance. We know that Canadian troops have proven this many times over the years in support of worthwhile causes.

Is it not time to consider the worthiness of the cause in Bosnia and Croatia? What we have there are three antagonists who show no interest whatsoever in achieving a peaceful resolution of their differences. Rather than having a positive influence, the UN has proven to be either a toothless tiger or perhaps has even become part of the problem.

Others may have larger forces there but Canada's contribution has been substantial, competent and reliable. Rather than sheep following the French and British ram, is it not time for Canada to lead by stating that unless there is immediate, unequivocal and verifiable movement toward peace the Canadian forces will commence preparations to withdraw from the region?

* * *

[Translation]

INTERPROVINCIAL TRADE

Mr. Bernard Patry (Pierrefonds—Dollard, Lib.): Mr. Speaker, yesterday, the Canadian Chamber of Commerce and its Quebec counterpart issued a study concluding that Quebec benefits greatly from interprovincial trade. It shows that in Quebec, 470,000 jobs depend directly on interprovincial trade. Given these findings, it is disconcerting to see that the Bloc Quebecois and the PQ are still adamantly pursuing Quebec's separation, regardless of the huge economic impact such a course of action might have.

Canada is financially advantageous not only for Quebec, but also for all the other provinces. The recent signing of an interprovincial trade agreement by the ten premiers opens new opportunities for this important sector of Quebec economy. The Canadian economic union already exists and it has proven to be extremely advantageous for Quebec. There is no need to jeopardize

everything for the sake of satisfying the sovereignist aspirations of the Bloc and the PQ.

* * *

[English]

CBEF 540

Ms. Shaughnessy Cohen (Windsor—St. Clair, Lib.): Mr. Speaker, at 5 a.m. on May 18, 1970, francophones all over southwestern Ontario turned to 540 on their radio dials to hear: "Bonjour Windsor, bonjour Tilbury, bonjour Pointes aux Roches, bonjour Belle Riviere", the first French words on the most crowded radio band in North America.

CBEF 540 serves 50,000 francophones in Windsor, Tecumseh, Sarnia, London, Paincourt and other vibrant southwestern Ontario communities. For 25 years CBEF has provided a vital link between francophones in southwestern Ontario and francophones in the rest of Canada, indeed in the world.

The Right Hon. Paul Martin, Senior, helped along a hard working group of local francophones to make the station a reality.

[Translation]

I want to congratulate it on its 25th anniversary.

* * *

[English]

GUN CONTROL

Mrs. Eleni Bakopanos (Saint-Denis, Lib.): Mr. Speaker, the Bloc Quebecois has finally yielded to pressures from the powerful gun lobby. Yesterday the Bloc critic on justice issues, the member of Parliament for Saint-Hubert, stated:

[Translation]

"Unfortunately, as soon as the topic of firearms comes up, males get excited and agitated—And since women are not the majority in the Bloc, male members put a lot of pressure on the caucus".

And yet, it should be pointed out that the Bloc Quebecois was committed to supporting the bill, as mentioned by the Bloc member for Saint-Hubert, on May 6, and I quote: "It is a good bill which provides for the registration and control of firearms". Women in Quebec will be very disappointed to learn that the Bloc does not take into account their views which are overwhelmingly in favour of Bill C-68.

* * *

WINNIPEG JETS

Mr. Jean-Paul Marchand (Québec—Est, BQ): Mr. Speaker, the federal government is doing an about-face in the issue of the building of a new sport arena in Winnipeg. Two weeks ago, Ottawa did not have any money to help the Jets. Suddenly, the Minister of Human Resources Development seems to have discovered plenty of it in several federal programs.

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There is no doubt that the pretext of the infrastructure program is simply a smoke-screen for an inescapable reality: Ottawa is about to give several millions of dollars of taxpayers' money to the Winnipeg Jets, and never thought about lifting one finger to help the Quebec Nordiques. There has never been such double standard before. It is obvious that the only thing flexible about Canadian federalism is fairness.

* * *

(1410)

[English]

HUMAN RIGHTS

Mr. Chuck Strahl (Fraser Valley East, Ref.): Mr. Speaker, imagine a place in which democratically elected members of a legislature are not allowed to propose changes to a law. Imagine then that they are not allowed to speak to the proposals of others and if they protest they are summarily cut off by the majority. Imagine a legislative body taking decisions without votes or ignoring long established rules of procedure in order to deny minority groups the right to be heard. Imagine a member of this minority group daring to challenge and oppose such autocratic rulings only to have the majority further restrict his rights by denying him the opportunity to even ask questions.

These types of governments exist around the world. We know that oppressive governments sometimes use the tools of democracy to choke off reasoned debate even while spouting false words about democracy and goodwill.

This kind of situation would be condemned by all members. I only wish we were describing a third world country, but I am talking about the standing committee on human rights and what it did last night.

* * *

ROYAL CANADIAN AIR FORCE ASSOCIATION

Mr. Ivan Grose (Oshawa, Lib.): Mr. Speaker, it seems to me that everyone from Oshawa is in the nation's capital. It makes me wonder who is minding the store.

I am proud to acknowledge the presence in the nation's capital today of members of 420 Wing, the Royal Canadian Air Force Association from Oshawa, an organization of which I am a proud member.

Some of the members here today have just returned from V-E Day ceremonies in Europe. Incidentally they tell me that our Prime Minister was the hit of the show in Holland and literally moved everyone to tears. These are the men and women of

Canada whose sense of duty, dedication and love of their country made that long ago victory possible.

We in the House would do well to exhibit the same patriotism and loyalty to this country that my friends and comrades showed in their youth and in truth to this day.

I will close with an admonition to all of us that was given to the airman son by his anxious mother: "My son, fly low and slow".

* * *

TULIP FESTIVAL

Mr. Charles Hubbard (Miramichi, Lib.): Mr. Speaker, this week in Ottawa we celebrate the Canadian Tulip Festival. It commemorates our friendship with the Netherlands and the important role that Canadians played during the dark years of World War II.

This month thousands of Canadians travelled to Holland. They participated in celebrations commemorating the liberation of Holland in 1945. They were welcomed into the homes, villages and cities by appreciative Dutch families.

Liberty and freedom are taken for granted in Canada. In Holland it is sincerely appreciated. The veterans who returned were received as liberators who restored freedom for those who had lived five long years under Nazi rule.

Canadian veterans, along with the Secretary of State for Veterans, visited Canadian war cemeteries and paid their respects to the many young Canadians who lost their lives in the struggle. Only those who were in Holland for the ceremonies could truly appreciate the tremendous respect, gratitude and emotion the Dutch people have for their Canadian liberators.

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ONTARIO ELECTION

Mr. Peter Adams (Peterborough, Lib.): Mr. Speaker, the people of Ontario have suffered throughout the nineties. They bore the full brunt of the recession and their troubles were compounded by an inexperienced, inept, high spending provincial government.

Do members know that the NDP government in Ontario continued to try to spend its way out of the recession two years longer than any other government? It doubled the provincial debt so that Ontarians now pay 20 cents of every tax dollar for interest. Now the NDP is trying to blame the federal government for its problems. We maintained the level of provincial transfers for our first two years in office. We have given all provincial governments ample notice about changes we intend to make.

Ontario needs a new government, a government which is caring and competent. Ontario cannot afford to try another inexperienced party. We cannot afford to stay with the NDP. We must have a Liberal government in Ontario after the upcoming election.

*Oral Questions***BREASTIMPLANTS**

Hon. Audrey McLaughlin (Yukon, NDP): Mr. Speaker, on Monday the multinational Dow Corning filed for bankruptcy protection, effectively cutting off another avenue for Canadian women seeking compensation for faulty silicone gel breast implants.

Despite the injury caused to Canadian women and the cost to taxpayers, the federal government has never filed suit against the manufacturers of these devices and continues to allow the use of saline breast implants; another disaster waiting to happen.

The federal government must act now and respond to breast implant support groups who have urged the minister to provide core funding to help them organize, to disseminate information, to make sure that physicians are required to inform women about the risk of implants, and to develop a national protocol for the removal of faulty implants.

(1415)

Canadian women want action and deserve action. The government must respond now. It must no longer accept this serious health risk to women.

* * *

GUN CONTROL

Mr. Monte Solberg (Medicine Hat, Ref.): Mr. Speaker, many times the justice minister has claimed support from frontline police officers for his firearm control bill.

I would like to draw to the justice minister's attention that times have changed. The minister must be caught in a time warp. Not only have Canadians failed to support his firearm control measures but the very frontline police officers he often mentions are strongly opposed to his bill.

The frontline officers of Saskatchewan are against the bill, as are those of Manitoba and Alberta. We all know the Yukon and Northwest Territories authorities are against the bill. The police association stated it had many concerns with the bill. The Canadian Bar Association and aboriginals state the bill is unconstitutional. And today New Brunswick jumped on the bandwagon.

We have been told many times that many in his party are against his bill. They did not bother to come around to vote last time. Now the truth has been spoken I trust we will no longer hear that the minister has full support for his Bill C-68.

ORAL QUESTION PERIOD*[Translation]***NATIONAL INFRASTRUCTURE PROGRAM**

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, the federal government is about to invest \$20 million in public funds to give Winnipeg a new arena, just to keep the Jets in Winnipeg. Unfortunately, Ottawa has never shown the slightest interest in getting involved to keep the Nordiques in Quebec City. Once again, the double standard rears its ugly head.

How can the Prime Minister use the Infrastructure Program to justify paying \$20 million to the Winnipeg Jets, when according to our information, more than 90 per cent of that money has already been spent or committed, leaving only \$6 million in the bank?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have an infrastructure program, and any decisions made under this program are made jointly by the municipalities involved and by the provincial government.

When we introduced the first Infrastructure Program, the Quebec government and Quebec City decided to build a convention centre in Quebec City, and the federal government invested \$26 million. At the time, people said they might need an arena. The mayor of Quebec City, as reported in the media this morning, said no, Quebec City's priority was a convention centre.

In the case of Winnipeg and the Government of Manitoba, \$15 million had not been allocated, and they asked us to allocate them for the building an infrastructure in Winnipeg, an arena.

There are several precedents in this respect. In Alberta, the government decided to invest \$5 million in the arena in Edmonton and \$4 million in the arena in Calgary, all federal money.

We respect provincial jurisdictions. We make the money available to the various governments. A total of \$15 million comes from the Infrastructure Program. As we all know, the Pan-American Games will be held in Winnipeg two years from now, and they need certain facilities, so they want to combine the facilities for the Pan-American Games with the possibility to build an arena. So if the city and the province want a new infrastructure, they can take the money that is there. There is no new money for this program. This is money allocated to Manitoba which had not yet been distributed.

(1420)

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, would the Prime Minister confirm that the \$20 million Ottawa will give in direct assistance to the Winnipeg Jets is well in excess of what is available under the Infrastructure Program and will impinge, as he himself said, on the budget set aside for the Pan-American

Oral Questions

Games, although none of the disciplines at these games will require a coliseum or an arena of the kind that is going to be built, and that the money will also come from the Western Economic Diversification Office headed by his minister, the member from Winnipeg?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I just made it very clear that the \$15 million comes out of the money allocated to the Province of Manitoba. The province decides, as was the case in Quebec and Ontario. Ontario built a brand new convention centre; it also built a new cultural centre in Mississauga; Vancouver used all the allocated money for a new water treatment system. All these decisions were made by the provincial governments.

In the case of Manitoba, the province decided to use the money available to build a new infrastructure, a new arena, just like Edmonton and Calgary decided to invest substantial amounts in improving the arenas in Edmonton and Calgary.

There is no double standard here. There is only one standard; this money comes out of the budget. We respect the preferences of the provincial governments. In the case of Quebec City, Mayor L'Allier made it clear that he was not interested in an arena. He wanted a convention centre, and they will get their convention centre.

Mr. Michel Gauthier (Roberval, BQ): Mr. Speaker, people remember how the Minister of Industry insisted on a business plan when the time came to invest money in MIL Davie in Quebec City. And how he insisted!

Before the government—which is broke, in any case—invests more than \$20 million in public funds in the Winnipeg Jets, could the Prime Minister tell us whether his government insisted that the Winnipeg Jets submit a business plan, to ensure this money is not wasted, and that the Jets provide guarantees that they will not leave within the next three years?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, with the provincial government and the municipal government, we are investing in an infrastructure which is an arena. We are not investing any money in the hockey team, certainly not.

The private sector in Winnipeg has decided to raise funds to buy the hockey team. We do not know whether they succeeded. In any case, the Premier of Manitoba and the mayor of Winnipeg decided that the money allocated for Winnipeg and for the Province of Manitoba would be used to build a new infrastructure, an arena.

In Quebec City, they opted for a convention centre. In Vancouver, they decided to invest in a water treatment plant. We respect the priorities of the provincial governments, but we

know that, if construction is going on, people are working, and that is money well spent. That is why we introduced this infrastructure program, which, by the way, has been a huge success in Canada.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, if this money is not for the Winnipeg Jets but only for an arena, the Prime Minister will surely not tell us that it is for the free skating sessions on Saturday nights.

The federal government has decided to provide a direct \$20 million subsidy for building this arena, for the sole purpose of allowing the city to keep the Jets franchise. This announcement came right after the Quebec Nordiques turned down the Quebec government's proposal.

How does the minister explain the federal government's sudden eagerness to help the Winnipeg Jets, even taking money from outside the infrastructure budget, the day after the Nordiques' owners rejected the Quebec government's proposal, when Ottawa never expressed its intention to assist the Nordiques?

(1425)

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, I think that, with respect to the Quebec government's proposal to the Nordiques, no one asked us to invest in an arena as we are doing in Winnipeg. Even back in January, the first project we approved was a convention centre for Quebec City, in which we invested \$26 million and which led to accusations by the Reform Party that we acted too quickly for the benefit of Quebec City.

Mayor L'Allier is reported in today's press as saying that Quebec City's priority is not an arena but a convention centre. And we respected the wish of Quebec City's separatist mayor. I wonder why the members of the Parti Quebecois and the Bloc Quebecois are against our respecting the wish of Quebec City's separatist mayor.

Mr. Gilles Duceppe (Laurier—Sainte-Marie, BQ): Mr. Speaker, \$5 million was taken from the Pan-American Games budget, even though Winnipeg maintained that it had all the facilities needed for these games. The situation seems to have changed overnight. The Prime Minister has just given us the reason: separatists. This always gets a rise out of the Prime Minister.

I would like the Prime Minister to admit frankly that the \$20 million aid package to the Jets had been planned for a while and that his government waited for the Nordiques' owners to reject the Quebec government's proposal to make a public announcement so that it would not have to provide the same kind of assistance to the Nordiques.

*Oral Questions**[English]*

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, we have not received one letter or one phone call from anybody from Quebec in the case of the Nordiques. Never. There was no timing arranged for that.

The people of Winnipeg and the business people of Winnipeg might or might not buy the hockey team. The city of Winnipeg and the premier of Manitoba have decided to take the money allocated for infrastructure for Manitoba and put it into an arena, exactly like the city of Edmonton, exactly like the city of Calgary. The city of Vancouver decided to invest its money in a sewage treatment plant. The city of Toronto is investing in a conference centre. The city of Mississauga is investing in an arts centre.

We respect the will of the citizens of Canada. What is wrong with that? We are flexible enough to listen to all the premiers of Canada.

* * *

INDIAN AFFAIRS

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the Liberal red book promised that the government would move full steam ahead on aboriginal self-government and on resolving outstanding land claims. As predicted, this has led to unrealistic expectations on the part of Indian bands, particularly in British Columbia.

Currently a huge percentage of B.C.'s land mass is claimed by natives but the provincial government says it is only willing to negotiate on 5 per cent and that self-government will not extend beyond the powers enjoyed by municipalities.

Will the minister of Indian affairs now admit that his failure to set realistic parameters for land claim negotiations and self-government is feeding these unrealistically high expectations and it is high time for him to correct these failures?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): No, Mr. Speaker.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, the minister treats this frivolously but he is headed for a disaster in aboriginal relations in the province of British Columbia.

Even his officials recognize that the federal government has raised band expectations to unmanageable levels while keeping the rest of the B.C. community in the dark. Despite memos from the deputy minister and appeals from the Assembly of First Nations, he stubbornly refuses to provide aboriginal groups and Canadians with any limits on the federal position on land claims or self-government.

I ask the minister again. Will he provide realistic guidelines for land claim negotiations and aboriginal self-government at least for the province of British Columbia?

(1430)

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, I do not agree with the premise of the question. The issue of how much land, which is what we are talking about, will be provided to the First Nations is primarily a provincial responsibility since most of the available land is in the name of the provinces.

The offer, or the leaked offer because I have not seen it, by the province of B.C. is a question of a quantum of land. When the aboriginal people of B.C. get the offer they will respond to it and we will respond to it. But right now we provide money, the provinces provide land and that is their provincial responsibility.

Mr. Preston Manning (Calgary Southwest, Ref.): Mr. Speaker, in its land claim negotiation paper the British Columbia government goes beyond land. It says that privately owned land will not be on the table. It says that aboriginal self-government will be restricted to municipal-like powers. It says that status Indians should lose provincial and federal tax exemptions once their land claims are settled.

Does the minister agree with the positions being taken by the Government of British Columbia on these issues and if not, what is the federal position?

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, on the issue of privately owned land, we have been consistent across this country to protect privately owned land and we try to compensate in those cases.

On the issue of taxes I find it passing strange that a province would make an offer on what is clearly our jurisdiction. I have made it clear to the province that the matter of taxation has to be solved with the Minister of Finance, the Minister of National Revenue and Parliament at a national level.

As far as the question of status is concerned, this is something we are always negotiating. The leader of the Reform Party must realize that status is very important to aboriginal people for very legitimate reasons.

* * *

*[Translation]***CANADIAN NATIONAL**

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, my question is for the Minister of Transport.

In an effort to reduce the debt of Canadian National, thus making it easier to privatize, the government is apparently about to buy this company's real estate assets, including the famous

Oral Questions

CN Tower in Toronto. These would be purchased at a price higher than their true market value, to help CN bring its debt down from \$2.5 billion to \$1.5 billion.

(1435)

How can the Minister of Transport justify his government's decision to invest considerable public funds in buying real estate assets already paid for by Canadian taxpayers?

[English]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, the hon. member's premise is completely wrong. It is not the government's intention to pay anything for the real estate assets of CN that will not be transferred at the time of the issue. We have said that with the Department of Finance we will negotiate an arrangement to give CN a credit for the market value of any residual real estate assets.

The hon. member will know that the objective of the government is to try to put Canadian National railways out into the private sector in a condition that will allow it to operate in the same environment as Canadian Pacific. There will have to be some work done to reduce the \$2.5 billion debt. I want to reassure my hon. friend that whatever the government does with respect to the sale of CN will be done in the very best interests of the Canadian taxpayers, both now and in the future.

[Translation]

Mr. Paul Mercier (Blainville—Deux-Montagnes, BQ): Mr. Speaker, will the Minister of Transport confirm his government's intention not only to use public funds to buy assets already paid for by taxpayers, but also to buy these assets for more than their current market value?

[English]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, as I indicated to the hon. member, but I understand he had his supplementary written down before he listened to the answer, there is no intention on the part of the government of giving any credit to CN that is in addition to any prior market value that would be identified.

The sale of CN is a major undertaking. We understand the opposition has agreed to it in principle. We hope we can demonstrate that on a business basis this will be done in the best interests of the Canadian taxpayer. Any evaluation of assets, real estate or otherwise, will be done on the very best basis of business and ordinary commercial practice.

INFRASTRUCTURE PROGRAM

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, like many other Canadians, I am a fan of our national sport, hockey, but I am not a fan of taxpayer subsidies for professional sports.

The problems in Winnipeg and Quebec could be and should be solved by the NHL, not the Canadian taxpayers. Private luxury boxes and million dollar hockey players should not be subsidized by overtaxed Canadians.

How can the Prime Minister justify reallocating infrastructure dollars when hospitals are closing and Canadians are risking their lives on unsafe roads?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, the infrastructure program, as I think the Prime Minister has pointed out, is based on local needs and local priorities to create jobs, strengthen the infrastructure of our communities so that we can attract additional investment dollars and provide more jobs.

The hon. member has an arena in his own constituency which also provides facilities for hockey players. He has supported infrastructure projects in his province.

Mr. Ed Harper (Simcoe Centre, Ref.): Mr. Speaker, the arena in Barrie was never supported by this member of Parliament at any time. The minister knows that. Arenas in Barrie, Edmonton or Winnipeg never were infrastructure, in any way.

The Minister of Industry has stated in this House that this level of government will no longer continue to subsidize business. Yet his western counterpart, the Minister of Human Resources Development, is attempting to bail out another local industry, the Winnipeg Jets.

Will the Prime Minister indicate what the policy of this government is? Is it the status quo pork barrelling of the western minister, or is it the let business thrive on its own policy of the industry minister? They cannot have it both ways. Which way is it?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, talking about having it both ways, who said: "I am writing to further offer my strong support for the project because of significant job creation?"

The project in Winnipeg will create thousands of jobs for the people of that city. It will create a great amount of economic activity. It is a priority of the city, a priority of the provincial government. Those are the rules under which we have been operating the infrastructure program.

*Oral Questions**[Translation]***CN RAIL**

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, looking at the Liberals across the floor, one would think we were at the Winnipeg arena.

My question is for the Minister of Transport. The minister is about to privatize one of the most important federal crown corporations, without restricting foreign ownership. CN, which was established at a cost of billions of dollars in public moneys, is an invaluable asset for Canada and Quebec. Should it come under foreign control, it might not fully serve the interests of Canadians.

Will the minister admit that, by overrating CN's assets, so as to increase the market value of the corporation, he is in fact using Canadian taxpayers' money to give foreign buyers an indirect subsidy?

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, I am truly moved by the hon. member, who is concerned about CN's future as a Canada-wide venture, from Halifax to Vancouver. At one point, I thought the member felt our government had decided not to restrict foreign investments, precisely to allow people like him, who want to achieve independence, to have an interest in that company.

(1440)

Mr. Michel Guimond (Beauport—Montmorency—Orléans, BQ): Mr. Speaker, I remind the Minister of Transport that Quebecers contributed 25 per cent of CN's assets. The minister is not giving us anything.

Some hon. members: Hear, hear.

An hon. member: That is true. Put that in your pipe and smoke it.

Mr. Guimond: On another topic, and I hope to get an intelligent answer, will the minister agree that it is possible for a group of foreign businesses controlled by the same shareholder to buy a majority of CN's shares, thus making it impossible for the minister to ensure that CN remains under Canadian control?

[English]

Hon. Douglas Young (Minister of Transport, Lib.): Mr. Speaker, the experience of Canadian Pacific which has been operating as a private shareholder driven company since the last century is such that there is no indication of any interest to the extent that we should be concerned about foreign ownership.

What I am far more worried about and what the government is concerned about is in order to have a successful issue of this size, we are of a mind and of the advice we have received both

domestically and internationally that the issue is just too big for Canadian investors to take up. We feel that protection for the future of CN is really far more important in the context of our restriction on 15 per cent ownership for any individual or corporation.

The important thing here that everyone should keep in mind is this is going to be the single largest transaction of its kind in Canadian history. We are trading on a global basis. This railroad has to be competitive in the global economy. We think that restricting foreign ownership would not give the kind of signal that we believe is important, that is, that Canadians want to do business with everybody around the world. We are confident that as is the case with CP, CN will be retained in a majority way in Canadian hands.

* * *

CANADIAN BROADCASTING CORPORATION

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, CBC and Cadillac Fairview have broken a deal over their lease arrangements, perhaps costing the CBC and the Canadian taxpayer up to \$250 million. The actual cost remains unknown because both the CBC and the minister's office refuse to make public any of the deals of the arrangement.

My question for the Minister of Canadian Heritage is: If there is nothing to hide, will he commit to making public all of the details of this secretive deal?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, there was of course an intervention by the courts. I will have to look carefully at what was decided. Eventually the transaction will have to be confirmed by an order of the governor in council. When we come to that point, I shall be pleased to answer the question.

Mrs. Jan Brown (Calgary Southeast, Ref.): Mr. Speaker, let me continue. The CBC broadcast centre came in \$138 million over budget. It was supposed to get revenues from Bramalea and Cadillac Fairview but now both companies are bankrupt. The total lease cost for the building amounts to over \$1.7 billion. Now the government is poised to bail out of this \$250 million fiasco.

The broadcast centre has been a financial disaster from the get go. Will the minister direct the auditor general to investigate the financing of this broadcast centre boondoggle and table the report in this Parliament?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, I take note of the allegations of our colleague and will give her the same answer I gave earlier. I will look into it and answer her questions.

Oral Questions

[Translation]

INFRASTRUCTURE PROGRAM

Mr. Jean-Paul Marchand (Québec-Est, BQ): Mr. Speaker, my question is for the Prime Minister.

The Prime Minister has just told us that \$15 million of the \$20 million promised for the Winnipeg Jets will come from the infrastructure program in Manitoba. Information in official Treasury Board documents, however, reveals something quite different.

How can the Prime Minister say, on January 24, that in book 3 of the Treasury Board Estimates, only \$6 million remained for the infrastructure program in Manitoba and talk today about \$15 million? Where did the extra \$9 million come from?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, as regards the allocations for Manitoba, certain projects were left undeveloped, and \$12 million is available at the moment.

Mr. Gauthier: So now it is \$12 million. The figure is changing.

Mr. Chrétien (Saint-Maurice): Twelve million dollars is currently available, according to the President of Treasury Board. The Government of Manitoba decided to reallocate certain approved projects, cancel them and replace them to create an additional \$3 million, bringing the total to \$15 million.

(1445)

As I said earlier, the remaining \$5 million will come from the money allocated for the preparation of the infrastructures needed for the Pan American Games. This adds up to the \$20 million approved by the government. It has nothing to do with the hockey team. It is a matter of giving the City of Winnipeg and the Government of Manitoba their choice of priorities.

It is as if Calgary, Edmonton or the hon. member's city chose to have arenas. This was the choice of the City of Winnipeg. The mayor of Quebec City decided clearly, with the first project approved, to put all the money available to Quebec City and the region around it into a convention centre, which was already well under way. This was the local officials' priority, and we accepted it with pleasure.

Mr. Jean-Paul Marchand (Québec-Est, BQ): Mr. Speaker, in the light of these latest rapid changes, how can the Prime Minister agree to reallocating \$5 million earmarked for the Pan American Games to finance the Winnipeg Jets?

Right Hon. Jean Chrétien (Prime Minister, Lib.): Mr. Speaker, clearly when you are holding the Pan American Games, you have to have the necessary equipment. The City of Winnipeg and the government of the province decided to use this

opportunity to build themselves a facility to meet both requirements. This will be a good thing if it means saving some money.

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CANADIAN ARMED FORCES

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, my question is for the Minister of National Defence.

It will be remembered that, when the Saint-Jean military college was closed, certain people claimed that the closure would decrease the representation of francophones in the Canadian Forces. We all know about the budget and the white paper on national defence.

I would ask the Minister of National Defence to report to the House on the situation of francophones in the Canadian armed forces, and on their recruitment in particular.

Hon. David M. Collenette (Minister of National Defence and Minister of Veterans Affairs, Lib.): Mr. Speaker, I must thank the hon. member for his question. Contrary to certain allegations that the closure of the Saint-Jean military college would negatively affect the recruitment of francophones in the armed forces, I am pleased to announce that we met our recruitment objective this year for francophone officer cadets, which was 30 per cent.

This clearly shows that francophones still and will always consider a career in the Canadian forces to be worthwhile.

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[English]

CULTURAL POLICY

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, the American government is developing a hit list of Canadian communication and entertainment companies in retaliation for Canada's policy of cultural isolationism, a policy that has already denied Canadian country music artists a worldwide audience via country music television. Now Much Music and Teleglobe are among companies who may be sacrificed with this isolationist policy.

My question is for the Minister of Canadian Heritage. Can the minister deny that this government's anti-competitive cultural policies will cost Canadians jobs and Canadian country music artists worldwide exposure?

Hon. Roy MacLaren (Minister for International Trade, Lib.): Mr. Speaker, I can confirm for the hon. member that I did indeed receive a letter from the United States trade representative that indicates the intention to embark on a section 301 action against Canada if in the time immediately ahead it is not possible for us to reach agreement on the issues the hon. member has raised.

Oral Questions

(1450)

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, we will try again with perhaps the heritage minister or the Minister of Industry.

Canadians have made it very clear: we support choice and competition. These should be the guiding principles of a cultural policy. Instead, it would appear that the Liberals favour competition when it benefits the Liberal family compact.

Why is the minister sacrificing Canadian artists, Canadian jobs, and consumer choice at the altar of Canadian cultural isolationism?

Hon. Michel Dupuy (Minister of Canadian Heritage, Lib.): Mr. Speaker, the decision to delist CMT was made by the CRTC pursuant to a long-standing CRTC policy. When CMT entered the Canadian market it was aware of the CRTC policy that it could be de-listed if a competitive Canadian service so requested. That is the rule of the game.

The follow up is naturally in the hands of the American authorities concerned. They have threatened retaliation. The minister of commerce and foreign trade has indicated that the letter from the secretary of state's Mr. Kantor received by him will be replied to in due course. However, the policy is clear.

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*[Translation]***OFFICIAL LANGUAGES**

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, my question is for the President of the Treasury Board. The official opposition checked the information network Internet and found that at least 10 federal government institutions provide information exclusively in English. Among the guilty you will find the Department of National Defence, the Royal Military College of Kingston, the Department of Industry and the Department of Natural Resources.

Does the President of the Treasury Board, who is responsible for applying the Official Languages Act, intend to take immediate action to ensure that these federal institutions and organizations start offering information in both official languages on Internet on the double?

[English]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, as I have indicated before in the House, we certainly intend to have the Official Languages Act and its regulations upheld. Canadians should be able to get service in the official language of their choice.

I understand the Internet primarily deals in the English language. What we need to do, in terms of ensuring that our

government services are provided in both official languages, is take the necessary action to help ensure that happens.

[Translation]

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, federal documents should be released to the public in both official languages simultaneously, not just in English and later in French whenever they have the time. We must all be treated equally. All that they have done is put a French title page in front of an English document. That is what I call a one way highway.

Some hon. members: Hear, hear.

Mrs. Tremblay (Rimouski—Témiscouata): In these hours following the release of the CRTC's recommendations regarding Canadian content on the information highway, is the President of the Treasury Board not ashamed to face francophones, knowing that some of the information the federal government puts on Internet is only available in English?

[English]

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, as I indicated, there is changing technology. The government certainly is committed to moving as quickly as it can to ensure that people can have the services of this government in the official language of their choice. A great deal of progress has been made by this government to do exactly that.

I have indicated before in the House the new publications that have been brought out to assist our departments in making sure that happens, providing information to the public on where they can get service in the official language of their choice and publishing it in minority language newspapers. I can go on and on.

(1455)

The government intends to ensure that the Official Languages Act and its regulations are followed so that Canadians can have service in the official language of their choice.

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ELECTION ADVERTISING

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, you will know that the government has been appealing the Alberta Court of Queen's Bench ruling that the gag law against third party election advertising and free speech is unconstitutional.

According to recent press reports, the government's appeal in Alberta is all but being laughed out of court. Will the solicitor general save the taxpayers further expense and withdraw his appeal of the undemocratic gag law?

Oral Questions

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, I have found from my long experience arguing in courtrooms that it is very difficult to predict from newspaper reports what the result of a case will be.

I would caution the hon. member to be patient. We have made our submissions, and out of respect for the court I think we will await the judgment before making further comment.

Mr. Stephen Harper (Calgary West, Ref.): Mr. Speaker, this has already been defeated twice in the courts in the past.

Will the minister admit that the real reason for trying to preserve this gag law in court is the same reason as that of the previous government—that it is worried about organizations and citizens who are going to make their obscene pension plans an issue in the next federal election?

Hon. Allan Rock (Minister of Justice and Attorney General of Canada, Lib.): Mr. Speaker, the position we advanced as counsel for the federal government was argued in the courtroom, where it should be argued. That judgment is now in reserve and I do not propose to comment on it until the court has had an opportunity to express its opinion.

However, I can tell the hon. member that the next time this government goes to the electorate it will do so very proud of the fact that it fulfilled its red book commitments with respect to pensions and every other matter.

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TOURISM

Mrs. Dianne Brushett (Cumberland—Colchester, Lib.): Mr. Speaker, my question is to the Minister of National Revenue.

Tourism is a substantial industry, worth billions of dollars to the Canadian economy. On Sunday the minister announced the opening of a new facility at the Vancouver international airport to assist foreign travellers. Would the minister tell the House how the new facility will help the economy and the thousands of cruise ship passengers travelling through Vancouver?

Hon. David Anderson (Minister of National Revenue, Lib.): Mr. Speaker, I certainly can.

We have approximately 700,000 cruise ship visitors coming through Vancouver. These people put millions upon millions of dollars into the economy of Vancouver. Yet I found to my surprise when I became minister that they were waiting for up to three hours at the Vancouver airport before moving down to the ship terminals.

We have a new facility in place. It is temporary until the new building is put in next year. Instead of wasting their time at the

airport, the cruise ship passengers will now have the opportunity to spend their time in downtown Vancouver and spend their dollars along with it.

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*[Translation]***ABORIGINAL AFFAIRS**

Mr. Claude Bachand (Saint-Jean, BQ): Mr. Speaker, my question is for the Indian affairs minister.

In a controversial move, Mohawks in Kanasatake are getting ready to bury two of their members in the pine grove, in Oka, on land belonging to the municipality of Oka. Meanwhile, negotiations have been suspended because their friend, Michel Robert, has been appointed to the bench.

Can the minister confirm that, for the past several years, the municipality of Oka has been offering land to the federal government—which it has not agreed to buy yet—in an effort to put an end to the tensions between itself and the Mohawk community in Kanasatake?

[English]

Hon. Ron Irwin (Minister of Indian Affairs and Northern Development, Lib.): Mr. Speaker, this is potentially a very volatile situation, and with my knowledge of the hon. member I am sure he would not want to exploit it.

The situation is that two individuals, two Mohawks, drowned. The Mohawks say that there is not enough property in which to bury them and they have cleared a small plot of ground, which I think is 20 feet by 20 feet. The mayor of Oka says that it is his property. Judge Réjean Paul has been there. I think the minister of security for Quebec has looked at it. We are trying to keep a lid on it, and I think it would be highly inappropriate in the circumstances for me to comment on it. It is better done quietly and privately under the aegis of Judge Réjean Paul.

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IMMIGRATION

Mr. Art Hanger (Calgary Northeast, Ref.): Mr. Speaker, the Immigration Association released a new poll that confirms that even after having broken every promise it made to Canadians on immigration, this government is still woefully out of touch.

(1500)

Seventy-six per cent thought bogus refugees should be turned around at the border with no appeal, and the majority agreed with the Reform Party that civil servants and not politically appointed friends of the minister should determine refugee status.

Supply

Will the minister finally listen to Canadians, put their interests first and scrap the Immigration and Refugee Board?

Hon. Sergio Marchi (Minister of Citizenship and Immigration, Lib.): Mr. Speaker, is it a surprise after his trip to Washington where he and his party allowed Newt Gingrich, Pat Buchanan and that great visionary Sonny Bono to dictate immigration policy? Those three want to bring the United States back to the dark ages and this member wants to hook Canadians' wagon to that. We say no thank you.

* * *

WINNIPEG JETS

Mr. Nelson Riis (Kamloops, NDP): Mr. Speaker, my question is for the Prime Minister, who has been doing a lot of skating around the Winnipeg Jets issue.

Call it what you might, \$20 million is being generated to rescue the Winnipeg Jets. If the government is to proceed with the rescue package would it at least consider taking an equity position in the hockey club so it will be an investment as opposed to simply turning its money over to the development of an arena which is really a black hole?

Hon. Arthur C. Eggleton (President of the Treasury Board and Minister responsible for Infrastructure, Lib.): Mr. Speaker, we are not in the business of investing in hockey teams. We are in the business of investing in facilities. Because the city of Winnipeg wants to proceed with this project, it is quite eligible under the infrastructure works program.

The infrastructure works program has created to this point some 100,000 jobs, which is what this is about, creating jobs in our communities, strengthening the infrastructure. That is where we have made our investment.

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PRESENCE IN THE GALLERY

The Speaker: I draw the attention of the House to the presence in the gallery of the hon. Darlene Marzari, Minister of Municipal Affairs for the Government of British Columbia.

Some hon. members: Hear, hear.

The Speaker: This concludes question period.

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[*Translation*]

BUSINESS OF THE HOUSE

Mr. Michel Bellehumeur (Berthier—Montcalm, BQ): Mr. Speaker, I would like to ask the Secretary of State for Parliamentary Affairs if he could tell us what the order of business will be in the House next week.

[*English*]

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, tomorrow we will commence second reading of Bill C-82 regarding the mint, followed by Bill C-91 concerning the business development bank, Bill C-88 with respect to internal trade, Bill C-92 regarding the Canadian Wheat Board, Bill C-54 concerning pension administration, Bill C-75 respecting farm loans, Bill C-70 amending the Income Tax Act and Bill C-65 concerning the reorganization of certain agencies.

This will be followed by the resumption of debate on the motion to establish a special joint committee on a parliamentary code of conduct.

On Monday, May 29 if we have not completed this list we will resume at the point we left off on Friday.

Tuesday, May 30 and Thursday, June 1 shall be allotted days.

Mrs. Wayne: Mr. Speaker, on a point of order, pursuant to the Thursday statement, I would like to ask the government House leader if the government intends to bring back Bill S-7, a private member's bill dealing with operating government vehicles with alternative fuels. Will he be bringing the bill back to the House for third reading to determine passage before the summer recess on June 23?

Mr. Gagliano: Mr. Speaker, Bill S-7 is before committee. When the committee finishes its work and reports back to the House we will be glad to look at it.

GOVERNMENT ORDERS

(1505)

[*English*]

SUPPLY

ALLOTTED DAY—QUEBEC'S FINANCIAL DEMANDS

The House resumed consideration of the motion.

Mr. Ian McClelland (Edmonton Southwest, Ref.): Mr. Speaker, before question period I was speaking generally about Quebec's financial demands not being a new topic for the House. In the year and half I have been here Quebec's financial demands have been front and centre every day.

It seems odd the Bloc would raise this as an opposition motion in the knowledge that Quebec has done very well by being a member of our great country over many years. It seems passing strange that it would want to leave.

It is also a tragedy that most members of the Bloc seem to think the relationship between Quebec and the rest of the country is primarily financial. To the vast majority of Canadians

Supply

the relationship between Quebec and the rest of the country is far more than a financial arrangement; it is spiritual, a relationship among friends, brothers, relatives and family.

I recently introduced my son to Quebec and invited the people of Quebec and in particular members of the Bloc to venture west and east to see for themselves that Canadians are welcome in all parts of the country. Quebecers are welcome in the rest of Canada and the rest of Canada in Quebec.

Whether members of the House liked former President Reagan or not, they will appreciate that President Reagan was widely renowned for his masterful use of the media and his ability to express thoughts and put complicated thoughts into every day simple language. He was a master manipulator of the media. People have to admit that.

It was passing strange that he had a portrait of Calvin Coolidge in the cabinet room. Calvin Coolidge was regarded as the president who had perhaps a most acerbic wit. He would never say in three words what could be said in one word and was generally regarded as a man of very few words.

President Reagan had a portrait of Calvin Coolidge in the cabinet room because of Coolidge's ability to put very pithy comments in very few words. I will deal specifically with what Calvin Coolidge had to say about people, about responsibilities and how we relate together as a society and what the role of government is.

Calvin Coolidge said: "The people cannot look to legislation generally for success; industry, thrift, character are not conferred by act or resolve. Government cannot relieve from toil. It can provide no substitute for the rewards of service. It can, of course, care for those who need care and recognize distinguished merit. The normal must care for themselves. Self-government means self-support".

(1510)

If we were to extend that the country would benefit greatly if we would start to think in terms of self-reliance and self-support. All provinces, all regions, rather than looking to the federal government and asking what is in it for them should be asking what they can give to the common good of the country after they have looked after their own responsibilities.

Unless we are first able to look after ourselves how can we presume to look after our neighbours? If we cannot first look after our own province how can we presume to look after other provinces? We need to be self-sufficient as individuals, we need to be self-sufficient as communities, we need to be self-sufficient as provinces. This will inevitably lead to self-sufficiency as a nation and to the further strengthening of the nation into the future; in my fondest dreams, desires and wishes, a nation united, with Quebec very much a part of the greater Canada.

[*Translation*]

Mr. Peter Milliken (Parliamentary Secretary to Leader of the Government in the House of Commons, Lib.): Mr. Speaker, this morning, I listened to the beginning of the debate which opened with the hon. member for Mégantic—Compton—Stansstead who, as usual, made a very good and very interesting speech. But it had nothing to do with the motion before the House, it was a speech on separatism.

For his part, as always, the hon. member for Edmonton Southwest made a very interesting and good speech. For the Reform Party, it was an excellent speech. He said he had a problem with the motion presented this morning by the hon. member for Mégantic—Compton—Stanstead, which reads as follows: That this House deplore the federal government's delay in responding to Quebec's demands, with regard to certain matters.

Does the hon. member for Edmonton Southwest agree with me that the only reason for the motion is not to complain about the delay, but to promote separatism and create misunderstanding between Quebec voters and voters in the rest of Canada? This is what is intended by the hon. member for Mégantic—Compton—Stanstead and his Bloc colleagues.

[*English*]

Mr. McClelland: Mr. Speaker, I thank the member opposite for the question. I agree the underlying thought behind the motion is an opportunity to advance the cause of separatism in the House.

It must be extremely frustrating for members of the Bloc to have come to the House resolved to work faithfully to taking themselves out of the House. The more time they spend here, the more at home and comfortable they feel. The more time the Bloc spends here, the more time the members representing the people of Canada in Quebec spend here, the more it is indicative the country is very welcoming to everyone.

I have a great deal of empathy toward the members of the Bloc. Members of the Reform Party came here under much the same cloud as members of the Bloc. We were expected by members of the central Canadian media, by the people of central Canada, to be some sort of monolithic neolists with our knuckles dragging on the ground.

(1515)

Members of the Bloc and members of the Reform Party were supposed to be fighting in the lobby. Much to everybody's surprise they found out that we probably have far more that unites us than separates us. The members of the Bloc came here and got involved in what they did out of frustration with the way the country is run. They felt left out of the affairs of the nation and the fact that nothing ever changed.

Supply

That is precisely the reason I am here today as well. As we have been here for the last year and a half we have come to know more about each other. We are going to be able to ask the big question that is going to come, that is going to be asked in Quebec.

It is my wish, desire, hope and feeling that no matter how the question is posed in Quebec, its people will decide to remain with Canada. Those of us in the House will put it behind us. That is my desire, my wish and everything I do will be to that end.

[*Translation*]

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I am always surprised to hear the Reform Party or the Liberal Party treat us as if we were beggars, as if we are asking for some kind of charity.

We are not begging for anything, far from it. We are only asking the federal government for what is rightfully ours, our part of the pie, the part that we sent to Ottawa. Through our taxes, we send enormous amounts of money to Ottawa. All we want is our due. Furthermore, we want the federal government to meet its commitments.

The federal government does not keep its promises. A good example of that is the health care system. When we introduced the health care system in Quebec, the federal government wanted to meddle in, so they said: "We want to impose our standards". In order for Quebec to accept that, they added: "We will pay 50 per cent of all the health care costs in Quebec".

Now the federal government pays only 30 per cent of the costs and we have to pay the remaining 70 per cent. It must be made clear that all the standards and structures were implemented on the grounds that the federal government would pay 50 per cent of the costs, not 30 per cent as it does now. Can you imagine what kind of management nightmare this creates for Quebec?

All we ask is that the federal government accept its own responsibilities. We are not begging, we are not asking for gifts, far from it. We are just saying to the federal level: "At least give us back the money we send to you". We are only asking for justice. All we ask is that the federal government carries out its promises.

This is why we have been saying for many years now: "Since you will not fulfil your commitments, we will levy all our own taxes and we will send you whatever we see fit". That is their attitude towards us, and that is why we want sovereignty. We do not want to be beggars, we want the federal government to keep its promises and it does not.

That is what I wanted to convey to the Reform Party member. He seems to know little about history. He is trying to convince the Canadians that Quebecers are beggars. We are not beggars. We only want what is rightfully ours, and we want respect.

[*English*]

Mr. McClelland: Mr. Speaker, if I left the impression with the hon. member that I thought the people of Quebec and the Bloc were here as beggars that certainly was not my intention. I do not think that is the case at all.

Bloc members are hard bargainers. The people of Quebec have been very skilful in using their balance of power and their electoral might for many years in extracting far more than their just rewards from their association with Canada.

The people of Quebec have done very handsomely by their association with Canada. The member speaks of the 50:50 cost sharing in health care. Let us talk about Canada assistance. The province of Quebec gets 70 cents of every dollar spent on welfare. Ontario gets 50 cents and Alberta and B.C. get 50 cents.

How is it that the province of Quebec is considered a have not province when it does not factor in its great and magnificent resource of hydroelectric power? The petrochemical resources of Alberta are factored in. Last year the province of Quebec received \$3.5 billion in equalization payments. Alberta has contributed in the last 40 years something in the area of \$100 billion toward equalization payments. Quebec has benefited by about that amount.

(1520)

Therefore, for any member of the Bloc or any other member from Quebec or anywhere else to stand and say that Quebec has done poorly by its association with the rest of Canada is just denying reality.

If Quebec were to decide, in its wisdom, to leave the federation, it would be hurt dramatically because every nickel that has been going to Quebec to subsidize and protect Quebec industry or in direct cash transfers would come to a crashing halt. The people of Quebec have to understand that. They have to be looked square in the eye and told that if they decide to leave this country we are going to leave our cheque book right here at home locked safely in the drawer.

[*Translation*]

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, the motion before us today refers to three issues between the government of Canada and the government of Quebec. Indeed, the Quebec minister responsible for Canadian intergovernmental affairs raised them earlier this week with my hon. colleague, the Minister of Intergovernmental Affairs in Ottawa.

This motion suggests that the government of Canada is using delaying tactics in its relationship with the Quebec government. That is not the case. In fact, what is going on here is totally appropriate. It is a normal and constructive process of relationship between two levels of government. And the Quebec case is no different from any other.

Supply

Since he became Minister of Intergovernmental Affairs 18 months ago, my colleague has met with his provincial counterparts more than 20 times. Eighteen months in government, more than 20 meetings. He met with his counterparts in Western Canada, in the territories, in the Atlantic area, in Ontario and in Quebec.

At these meetings, it is perfectly normal for provincial ministers to raise issues with the government of Canada that need to be solved. As usual, the government of Canada examines them and, with the co-operation of the province concerned, takes steps to find solutions agreeable to both parties.

Also, the government of Canada sometimes identifies issues that it considers important. It then consults with the provincial governments and, together, they agree on measures, once again to reach fair and equitable agreements.

This process is not peculiar to the Department of Intergovernmental Affairs. In the Canadian federation, this approach is successful because all first ministers, ministers and officials work closely together to achieve concrete and practical results.

Our pragmatic federalism is based on a series of mechanisms and intergovernmental meetings that allow our governments to consult regularly and to solve their problems. These mechanisms come under various forms: we have first ministers' conferences, ministers' conferences, interprovincial meetings as well as a lot of meetings at the level of the deputy ministers. That is what makes our federation flexible.

(1525)

These various mechanisms and our flexible federation, as well as the co-operation we were able to get from the provinces and the territories, led to the following achievements. We were able to sign agreements with all the provinces under the infrastructure program; to reach an agreement to reduce interprovincial barriers to trade and free movement of individuals so as to reinforce our economic union; to sign action plans with eight provinces and two territories to reduce duplication and overlap; and to create Team Canada, led by the Prime Minister of Canada, to strengthen our position on promising new markets.

The object of the national infrastructure program was to promote economic recovery by creating short term and long term jobs through local investments, while meeting the obvious need to renew and improve local infrastructures throughout Canada.

Under this flexible program, municipalities, provinces and territories can take into account their own priorities. The completed projects for the most part have met the priorities set by the local authorities, in accordance with the national and

provincial objectives and criteria and pursuant to the federal-provincial agreements underlying the program.

The Agreement on Internal Trade provides for concrete changes, implementation schedules and a complete process that will help Canada become a real economic union characterized by freer movement of people, capital, goods and services.

With the agreement on the reduction of duplication and overlap, we are seeking to rationalize operations in areas ranging from environment to small business support to tax collection. The final result will be a streamlined government, less regulation and bureaucracy and more efficient services delivered directly and at a lower cost.

As for Team Canada's mission, it is an excellent example of what modern federalism can accomplish. It showed us that we can co-operate very effectively as a country to create jobs here and open up new horizons for all Canadians. Team Canada had quite an impact in the countries that we visited.

Everybody was impressed by the co-operation between the private and public sectors and by the way the various levels of government work together in the national interest.

These results are proof of our commitment to create jobs and to stimulate economic growth in our country, to build together a federation capable of facing international competition. That is what a good government is all about.

But such results are possible only if governments negotiate openly and in good faith. However, that does not mean that federalism excludes any dispute. We know that.

In Canada, we must continually find a balance between regional, provincial, cultural and language interests on one hand and national interests on the other hand in what we can call a state of constructive tension. I say it is constructive because it forces the parties to try and meet local needs while taking national priorities into account.

The government of Canada does not favour any region or any sector of our society to the detriment of another. If a region is hard hit by desertification, by a crisis in the fishing industry, by difficult economic conditions or whatever, the federation can come to the rescue thanks to our collective resources.

The name of the game is interdependence, and federalism makes the necessary compromises between the various groups and regions.

(1530)

As Alain Gagnon, a political science expert at McGill University, noted, federalism is considered to be the expression of democratic practices favourable to innovative policies and political choices at the territorial level. As Canada faces the future, it enjoys the clear advantage of being a federation.

We know that both Quebecers and other Canadians fervently hope that their governments will work to resolve the pressing problems facing us. The time has come to turn the page and set aside our political differences so that we can invest all our energy in a common cause: to build a strong and united country for the present and future generations.

It is in this spirit that the Canadian government is negotiating with the Government of Quebec. We would like our opposition colleagues to understand that the Canadian government cares about Quebecers' interests as much as the Quebec government does. With regard to the three items included in the motion tabled by the hon. member for Mégantic—Compton—Stansstead, the Canadian government has acted in good faith. In every case, the process used was proper and consistent with normal intergovernmental relations within a federation such as ours.

I will certainly vote against the motion being debated today, because it goes against the principles underlying good federal-provincial relations in Canada. I know that every day since the 1993 election, every time they ask a question during Question Period, every time they make a speech in the House or ask a question during debate, my colleagues always come back to the issue of separation.

Yet, after listening to Bloc members for 18 months, Quebecers have not changed their minds. Quite the contrary. If we do an analysis over a given period, we see that Quebecers have realized that they are better off staying in the Canadian federation. Earlier, the hon. member for Longueuil asked his Reform colleague a question about health care. He spoke about the various original commitments and what we are now paying.

I am sure that the hon. member did not do it on purpose, but he failed to mention that how much the federal government invested in previous agreements, which were always negotiated with and agreed to by the various provincial governments, is not the only reference point. The federal government transferred to the provinces, in exchange for that money, a portion of the tax points it used to collect. Thus our responsibility has not changed.

He is forgetting that, when this federation was born in 1867, the federal authority was responsible for 60 per cent of taxes. Yet today, it is the opposite. This federal system is constantly changing to fit the circumstances. Indeed, every country of the world recognizes that the federal system is one of the most flexible government systems ever to be devised and experimented. In fact, Europe has been trying to imitate it since 1950 but is still far from having achieved anything like what we have. Of course there is room for improvement, but this is no reason to want to destroy the system and throw it away.

Supply

I think that the past can vouch for it: things always improve and will continue to improve. I am convinced that, try as they may, day after day, every chance they get in this House to convince the people of Quebec that Canada does not work, my hon. colleagues from the official opposition will fail and the people of Quebec will remain in Canada because this country belongs to them and that is a fact. That is one thing that my hon. colleague and I agree on. Canada belongs to the people of Quebec, the same way that Quebec belongs to Canada. We built this country together. It should not be destroyed and we will do our best to prevent its destruction.

(1535)

We hear people say that things are bad, that the federal government is not paying its bills and is acting in bad faith. We are talking about matters between two governments. Even in the private sector, there are explanations to be given, questions to be answered, before payment is made, and that is normal.

In fact, as my colleague, the minister of Intergovernmental Affairs mentioned this morning, in one case, we made partial payment and then said: "Look, there is a problem here. We will refer the matter to the auditor general. He will check into it and report to us. We will do as he recommends". We are still waiting. We hope to receive his report in the near future and we will abide by his decision.

We have already paid \$450 million for education in northern Quebec. We have nothing more to pay, but because the Quebec government wants more, we would like to know why it cost so much. No answer.

This kind of interaction is normal. Instead of making an effort to discuss and find a way of creating jobs together, we gather here for an opposition day. And the opposition comes and tells us how we can go on wrangling and tearing one another apart to show Quebecers and drive in their heads that this system just is not working, that we do not pay our bills and so on. As the hon. member for Longueuil said: "The only option we have left is to separate". Not so, Mr. Speaker. I suggest that, with 128 years of experience, this system is a model for the whole world.

There are thousands and thousands of people in the world who would give anything to become Canadian citizens, to come and live in this country, in spite of this so-called hardship our colleagues opposite are taking about. This is a valid experience. Our country is regarded as a model around the world and will remain a model because the people of Quebec and Canada have faith in this system that we built together and will maintain.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, I just heard a carefully prepared speech, and indeed a very eloquent speech, from the hon. member, who said that Canada is the envy of the whole world.

Supply

This sort of talk is starting to get on my nerves. Canada's debt is close to \$600 billion, our situation is like that of some 60 developing countries, and we are on the edge of the abyss, but we keep saying: Yes, it is a great country. Rather, it was a great country, but this is no longer the case, it is on the point of collapse. Why? Because the federal government insists on directing everything from the top, on centralizing all responsibilities in Ottawa.

We are well aware that duplications cost between \$2 billion to \$3 billion. And that is not all, however. Just take, for example, our government's fascination with spending. It spent so much money, from the 1970s until 1989, that inflation was the result. The rate of inflation was jumping by 10 or 12 per cent per year. I recall that vividly.

What actions did the government take, even if it was responsible for that inflation? In the 1980s, it had to raise interest rates up to 21 per cent, which killed the economy and created a terrible recession. A great number of small and medium-sized firms in Quebec went bankrupt. That is very sad.

(1540)

Some lost their jobs and experienced a lot of problems. I know many business people who worked very hard and who still went bankrupt in 1981-82. Why? Because the federal government itself generated that inflation. It increased interest rates to such a level that they killed the economy.

The federal government was the cause of that inflation and it was also responsible for the recession. All that happened because of its spending power. The federal government generated the inflationary spiral because it was intent on showing that it was indispensable, that it was giving money in every sector, including economic development and tourism.

The same thing happened between 1984 and 1990. Again, the government was responsible for the inflation. It also brought on the recession in 1990. From 1990 to 1994, it increased interest rates and triggered a recession. Once again, a lot of Quebec entrepreneurs and small businesses suffered. Some of them work 15 hours a day to build their businesses. So, the federal government is the cause of the recession and all these problems.

This is why we want some stability. Stability does not mean that the federal government must control everything and spend the way it does to prove it is indispensable.

The problem with our current debt of 500 to 600 billion dollars is that people are no longer interested in investing in our country. They no longer want to invest because interest rates fluctuate by 10 per cent every decade, while the value of the dollar can be anywhere from 70 to 90 cents. How can an investor who wants to export in the U.S. be interested in settling here, when interest rates vary by 10 per cent over a five or six year

period, and when the unemployment rate fluctuates between 10 and 20 per cent?

There are pulp and paper companies which do well and then, all of a sudden, they go belly up. Why? Because the value of our dollar fluctuates. And why does it fluctuate? Because the federal government does not know how to manage. Because it spends too much in the hope of proving, to Quebecers in particular, that it is indispensable.

These are the reasons why we have decided to take control of our destiny. We do not want to fall in the same deep hole as this federation, which does not understand the need to decentralize, so as to improve our efficiency and ensure our success. Indeed, we want to become sovereign because we do not want to fall in the same deep hole of federation.

The hon. member for Saint-Léonard made very interesting comments. He had a nice speech prepared in advance by his friends. In fact, the Prime Minister himself probably told him what to say. I am convinced that the hon. member does not believe what he said, because he is an accountant. He understands my point very well, and I am convinced that he agrees with what I said.

Mr. Gagliano: Mr. Speaker, I would like to thank the hon. member for Longueuil. His remarks bear out what I was saying. He said that the federal government is to blame for everything.

Is it the federal government's fault if Canada, in the 1980s, in spite of all its problems—like high inflation and interest rates—became a member of the G-7, a member of the seven most developed countries? Is it the federal government's fault if, for two consecutive years, the Organization of American States has said that Canada is the best country in the world to live in? Is it the federal government's fault if people do not want to invest money? Does the fault for Canada's political instability lie only with the federal government? We have been hearing about separation for 30 years. Is the federal government to blame for that?

Last year, we had the highest economic growth among developed countries. Is that a sign of bankruptcy? Is the member completely cut off from the global environment and completely oblivious to what is happening in other countries? Does he ever make comparisons? Statistics and international reports the world over clearly indicate that we are a very good country. But we do have a political instability problem, precisely because of their ideas.

(1545)

As soon as they muster enough courage, instead of making policy shifts often enough to make heads spin, they should put the question clearly and squarely as to whether Quebecers feel like separating. Then, we could truly get rid of the millstone we have round our neck because of the separatists and, of course, still improve our situation.

Supply

When the hon. member says that Canada is bankrupt, he is not aware of all the prestigious positions we hold in the international community at all levels.

I would ask my hon. colleague to take that into consideration. I know he came here at the same time as I did, almost 11 years ago. Since he has had the chance to travel to most corners of the world, if he tried to remember the countries he visited and what he heard in his parliamentary travels, he would surely agree with me.

The Acting Speaker (Mr. Kilger): There is barely two minutes left for questions and comments.

Mr. Paul Crête (Kamouraska—Rivière-du-Loup, BQ): Mr. Speaker, after listening to the last few comments of the hon. member, I cannot resist asking a question.

When we travel abroad, we are frequently asked why Quebecers, with all their potential, have not yet decided to withdraw from the Canadian federation to be more independent like they are in Denmark, Norway, or Sweden. People in those countries control their own development, they know they pay taxes to only one government, and they can easily understand the reasons why they elect representatives.

Let me conclude by saying that, just like members opposite, we have been elected by Quebecers. When we are told that we have not accomplished anything, I have to remind the hon. members that, in a period of two years, the Bloc was elected, which was an obvious sign that something is wrong with the Canadian federation, and a sovereigntist government was elected in Quebec. If the federal Parliament cannot grasp that message sent by Quebecers, it must be because it is beyond reform.

Mr. Gagliano: Mr. Speaker, like the hon. member just said, I am proud to be a Quebecer, because Quebec is a modern society with a wealth of resources, and a society that is well recognized throughout the world.

Since Quebec has been able to develop and come of age inside the Canadian federation, why should it sever its links with Canada? If it remains a part of Canada, as I am sure it will, Quebec will be able to go on with its development and have all its many talents recognized. If everything is so fine, why bring to a halt such a valuable experience, which is the envy of the world and which everybody would like to share in?

Mr. Speaker, even the hon. members opposite give good reasons why Quebec should remain a part of Canada. If the hon. member could ask the question, I am sure the answer would be that Quebec will indeed remain part of Canada.

Mr. Ghislain Lebel (Chambly, BQ): Mr. Speaker, I listened carefully to what my hon. colleague for Saint-Léonard, in eastern Montreal, had to say and I am always flabbergasted to

hear him speak as if he built this country and almost as if he were the father of our vast and beautiful country.

Earlier, we realized that it is almost pointless for us to make the demands mentioned in the motion before the House. The partisan determination shown by our colleagues opposite indicated early on that our efforts would be useless, that their minds were made up and that, even if we argued all night, it would not do us any good.

Since I have nothing better to do then, I will try to disprove the nonsense uttered by the hon. member for Saint-Léonard. I want to give him a brief lesson in history. It would not hurt the hon. member for Edmonton Southwest to listen, since his knowledge of the history of Canada also seems kind of lacking.

Towards the end of the last century, while 2 million Quebecers, about to starve to death, were forced to leave their country to go to work in the New England cotton mills, the Canadian government sent for Eastern Europeans to settle in western Canada. It gave them land, work animals, horses, chickens, the right to cut timber to build their houses and a lot of other things, and 50 per cent of these expenses were paid for by the people of Canada, half of which then was paid by Quebec. That is what they called profitable federalism. It remained a profitable enterprise for a long time, but it had been even more profitable in 1840, when the Union Act was signed. At that time, Quebec formed the majority within that famous union.

(1550)

Our ancestors, not very well educated individuals who had been pretty badly treated less than 100 years before by the invaders who had come to strip them of everything they had, used the old sock. They stashed away their savings, they did not get into debt. The villages were not in debt. Quebec was not in debt at the time. But Ontario, which was a hive of activity, had to borrow large amounts of money in order to build infrastructures for its towns. All the lines were blurred. The two debts were not kept separate, with the result that the people of Quebec had to pay over half the debt of Ontario, to the exclusive benefit of the latter. This is yet another example the so-called profitable federalism, as the Liberals see it.

I would say to the member for Bonaventure—Îles-de-la-Madeleine that the Gaspé Peninsula, where I was born, lost most of its inhabitants at that time. The member must have, like me, one or perhaps many ancestors who were forced to leave for the United States because they could not make a living in this so-called great country. So I find it hard to listen to people who have been here for something like 20 years say that they helped build this country. I am willing, of course, to acknowledge their qualities, their contributions, but many of them profited a lot more from Canada than our ancestors did 250 and 300 years ago.

Supply

And it boils down to the fact that we have rights in this country and that we want them to be respected, that is all.

A lot has gone on here. A member of the Reform Party just told me that, after 18 months, he has discovered that we are alike. Frankly, I find that almost insulting. I resent it. Reform members are in favour of the death penalty, "Hang them quick and do not waste too much rope, and then next, please". That is the philosophy of the Reform Party. Fill up our prisons with whoever had the nerve to insult someone else. That is the right-wing policy of the Reform Party.

I even heard a Reform member say in this House: "My children are not educated, I forbid them to get an education. It is my belief and I adhere to it". But if Canada needs an ambassador, that member is frustrated that the government will not give the job to his son whom he refused to send to school. That is the Reform philosophy. It seems to be quite popular in that region because there are quite a few of them in this House. It is something that I heard here.

Anyway, Quebec is asking the federal government today for a certain sum of money for the natives in the James Bay area. It is time for the federal government to show off, as it has always done. When it came to paying \$279 million to give a school board to a particular ethnic group in western Canada in order to show the greatness of Canada and of multiculturalism, it did not cut corners. It came up with the money. And when members of the same ethnic group in Toronto asked the government to give them the same thing it had given their friends in Vancouver, it obliged. It did not matter if the cost was \$250 or \$300 million, the government found the money. Quebecers did not complain in those days. On the contrary, 74 out of this gang of 75 chose to vote for those expenditures, in order to buy peace I guess.

One thing leading to another, we ended up with a \$550 billion debt. I wonder if Canada will not follow in the footsteps of Dow Corning, the breast implant manufacturer, and file under our Bankruptcy Act pretty soon. We are asking to be paid for the services we have delivered to native people for which the federal government is legally responsible. We gave them the same education we gave young Quebecers who lived in the area. I suppose it was a good education.

(1555)

Now the time has come to pay the bill but the federal government is shirking its responsibilities. It is a bit like the guy who goes to eat in a restaurant, pretends he is going to the washroom after he finishes his meal, exits through the back door and avoids the bill. That is what the government is doing right now, or it looks like it.

Why not face up to a situation that exists and that deserves to be dealt with, not because it concerns Quebec but because it is a matter of justice. There was an agreement. The Minister of Interdepartmental Affairs wants to refer this issue to commit-

tees and to government officials, all that for a total claim of \$333 million. Yet, it took the government only 20 minutes to free up \$20 million for the Winnipeg arena. Things did not drag on in this case.

An hon. member: Not for the Jets. For the arena.

Mr. Lebel: For the Winnipeg Power Jets.

An hon. member: The jet set.

Mr. Lebel: Yes. The Power jet set. In this case, they found \$20 million just like that. So, it is not so difficult to find \$20 million. But when ask for five, six, even seven years to resolve the problem in Quebec, to settle Quebec's legitimate claims, they politely refer us to their civil servants. Even a Jesuit—and God knows that Jesuits are supposed to know everything—would lose his way in this complex maze of negotiations.

I listened to the member for Saint-Léonard who praised this great country where civic rights and freedoms are recognized and respected. I will merely remind him of the 1970 War Measures Act, the patriation of the Constitution in 1982, the spying on political parties which was thought to have ceased in 1970, although it was recently discovered that members of the Reform Party are still being spied on, and the same probably goes for us as well.

These are the freedoms referred to by the member for Saint-Léonard. Some also spoke of transparency. I nearly choked. Transparency! As if the Pearson deal was transparent. A man named Nixon—we were not the ones who chose him—studied the famous Pearson deal. His conclusions were that there was something fishy. He recommended to the Prime Minister that an inquiry be conducted in this matter.

I remember the Minister of Transport answering my questions in this Chamber, saying: "Come on! Let us move forward. We do know that some individuals tried to take advantage of it". He could not deny it, the Nixon report said so, but he was saying: "Let us move forward, and quickly. Let us settle this whole matter. It will cost a maximum of \$25 million".

We can see how high the stack of bills is now. It is estimated that claims of all kinds for breach of contract will total \$450 million, and there are more to come. And yet, we demanded, we asked for a royal commission to get to the bottom of this. But no, it was urgent to proceed quickly and settle the whole thing, regardless of the cost. What openness! Examples of this kind of openness are legion. The heritage minister was not being very open while lunching in a room next to the one where the fate of the Canadian film industry was probably being decided.

Once again, he lacked openness. This is another example of openness. For the first time, a CRTC decision is being reviewed, at the request of the cabinet; by a strange coincidence, which, I know, has a hand in a lot of things, it involves close relatives of the Prime Minister, who stand to gain a lot. This is happening in

this great country which is so dear to the member for Saint-Léonard as are the underlying principles of federalism he described.

(1600)

I could perhaps talk about the underlying principles of federalism. They are nothing to write home about. Such noble principles.

I remember reading, not too long ago, that when we joined this country in 1867, about 50 per cent of the population was French speaking in all four provinces and 50 per cent, English speaking. At the time, we paid 300,000 pounds sterling to buy the Northwest Territories, Rupert's Land, which today is Manitoba, Saskatchewan and Alberta up to the Rockies. We bought that from the Hudson's Bay Company for 300,000 pounds sterling at the time. Do not ask me how much it would be today, probably as much as the national debt.

It remains that 50 per cent of the people who paid for that were Quebecers, and they gave it away, for nothing, to those who developed western Canada. Now they are telling us that we are crybabies, that we are constantly asking for things we have no right to. No matter what the hon. member for Bonaventure—Îles-de-la-Madeleine might think, we paid for western Canada.

If he wants to make some gifts, he should pay for them with his own money, not with other people's money.

He said that people would give everything to live in this country of ours. Yet, after the Minister of Immigration announced he would be charging \$900 to those who apply for immigrant status, there was an uproar. People do not want to pay even that much to come here. They think it is starting to be a bit pricey. When making speeches we sometimes say things which are far removed from reality. He almost said, at the end of his speech, that we were pretty lucky to be part of the G-7. For us, being part of the G-7 is as bad as being part of the Winnipeg Jets.

Ross Perot said, in the United States, that we were beggars on horse back, that we had no business being in the G-7, given our structure, our wealth, our economic activity; that the only reason we were there is because the Americans needed our vote to support them, to support their proposals. It is for that reason that they put pressure on to get us in the game. However, we are part of the G-7. When we compare ourselves to the other member countries, we always come out seventh. Ross Perot said that we are there because of their goodwill.

Some people lack the judgment to realize that it was, indeed, a matter of charity. They see that as an honour. He said, as if he were the one who created it, that Canada was beautiful. I like to think that Canada was created by the Creator, not by the Liberal Party of Canada.

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I could say that Liberals made much more nasty things than good ones. They should not try to take credit for the great accomplishments of the Creator.

That being said, I think that Quebec's claims are justified, that Quebec must go ahead with them and that all of us, in this House, will always insist that what is Caesar's be rendered unto Caesar. The money coming from Canadian and Quebec taxpayers ends up in the federal treasury. Thirty seven cents out of every dollar go to service the debt.

An hon. member: For the interests.

Mr. Lebel: Only the interests on the debt. So, there is not much coming back under various forms. But that is not a problem. When there is not enough to pay back, the government borrows some. That still works. But the next year, there is more money going towards the payment of interests on the debt, for instance. And the government travels around the world, especially in the G-7 bus, and it says: It is going well in Canada, everything is fine.

(1605)

If it is going so well, why not respect its people? The natives in the James Bay area have received an education that is neither better nor worse than the one little Quebecers received in the same area. The teachers gave the same to both groups, who were often learning together in the same classroom.

Why would the federal government say today that it is not sure that they were taught exactly what it wanted them to learn? Why would the federal government say that it did not make a decision on the quality of teaching, the condition of buildings and school transportation and that it should have looked at all that before paying?

Considering how fast the federal government moves, little natives would be past university age and would still not have started school. The government is capable of ordering endless studies, and the more they cost, the more it orders them. What would our debt be if the Quebec government had not decided to act and had not stopped waiting so long for the federal government?

There was also the aboriginal Oka crisis in 1990. At that time, nothing was too good. Quebec was sending its provincial police officers and they were working overtime, seven days a week. They had to put out the fires. It was becoming urgent, especially since the federal government was quite involved in the situation there, because it was its fault if the natives were rising up about a territorial issue.

For almost 130 years, it had done nothing to understand them and to meet their needs. Again, when the time has come to pay the bill, it said that we should have submitted the menu served to policemen when they worked overtime—that maybe it would

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have substituted an orange or a piece of carrot for the apple. The government is dodging and using delaying tactics, as the member for Saint-Léonard said, to flee through the back door.

In closing, I must say we have no lesson to learn from these people. They seem to have made it a point of honour not to respect their commitments. The few times they did were when their candidates were defeated and they promised them a safe riding the next time. These are about the only times when the Liberal Party really honoured its commitments.

Hon. Alfonso Gagliano (Secretary of State (Parliamentary Affairs) and Deputy Leader of the Government in the House of Commons, Lib.): Mr. Speaker, I was really shocked to hear the hon. member for Chambly referring to this member for Saint-Léonard as someone who arrived in Canada some twenty years ago, as if I did not have the right to talk about or to defend Canadian values.

I know the hon. member and I am amazed that he not only said that but he even believed that. Though I was not born in Quebec, I nevertheless see myself as a real Quebecer and a real Canadian. I hope he will take time to think about what he said and that he will withdraw his words and change his thinking. I hope he just got carried away because what he just said is serious: it means there are two classes of citizens in Quebec, those who were born in Quebec and the others who were not.

If this is what the hon. member thinks, I hope he will have the courage to admit it. If that is not what he meant, he should clarify his thought and withdraw what he said. Such allegations are serious and it is not the first time it happens in that party. I hope, no, I am sure that Quebecers have always been generous people, they have always welcomed people from other countries and have treated them as their equals.

As I said earlier, I know the hon. member very well and I hope he just got carried away and that was not his real thinking.

(1610)

Mr. Lebel: Mr. Speaker, I also know the hon. member for Saint-Léonard.

I remember that, not too long ago, during an opposition day like this one in this House, when we were talking about the proposed referendum in Quebec, the hon. member for Madawaska—Victoria told me: “So, as a francophone living outside Quebec, I do not have the right to participate in this debate”. I told her that no, she did not, but that the hon. member for Saint-Léonard did, because he is a Quebecer.

If he is as honest as he claims, he will admit that I made that statement here in this House; you can even look it up in *Hansard*. No, that is not my intention. What I mean is that some

members have the nerve to lecture us here today, telling us that they were the ones who built this country—at least that is how I understood it—because we Quebecers are just a bunch of “bums”. That is what the hon. member from the Reform Party told us through his thinly veiled remarks. He suggested that we wanted money, that we wanted things, that we came here to get funds. That is what I meant. I meant that we francophones have been in Quebec for 450 years, that we also contributed to this country, that our contribution was at least as important as that of more recent immigrants to Canada. That is what I meant, as the hon. member for Saint-Léonard knows full well.

Indeed, there are none so deaf as those who will not hear. That is so true. Particularly in debates such as this one, it is common for some people to twist what others have said. I am saying that Quebecers who have been here in North America for more than 400 to 450 years on average also have the right to speak up, to decide whether or not they were wronged in the past and whether or not they paid more than their fair share, and to demand that it not happen again. That is what the hon. member for Saint-Léonard should have understood, and I know that, despite his Mediterranean accent, he understands very well the French spoken here. That is to his credit, and I commend him.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Mr. Speaker, I do not know where to start following the remarks made by the hon. member opposite.

It is really a shame that, once again, qualifications are made as to who is a Canadian and who is not, who can live in Quebec and who cannot.

It takes some gall to say that we are concerned only with those who settled here some 350, 400 years ago. I find it despicable that the hon. member of the opposition could claim that newcomers to Canada, and Quebec in particular, did not do well or contribute to the economic development of my province.

We must recognize one thing, Mr. Speaker, and that is that ours is a country built on immigration. And the first to settle this land were, to use the terms of the opposition motion, the aboriginals. They are the real, original settlers. Next in line are the French Canadians, Canadians of French descent, the Bretons, the Scots, the Irish, the British and the Loyalists. Then people from other countries came to Canada and Quebec, and put their talents to good use in our country.

In fact, if the hon. member of the opposition cared to check in his own ranks, he would realize that there are members who are not old stock Quebecers in his own party. There are newcomers, new Quebecers, not only within the Bloc Québécois but also within the Quebec government. Are they not real Quebecers? I would like him to tell me.

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All we are asking the hon. member of the opposition to do is to apologize formally in this House and withdraw his remarks. I think that the honourable man he is will recognize that the hon. member for Saint-Léonard and other newcomers, so to speak, people who left their country of origin to settle in Canada, have made an outstanding contribution to this country.

(1615)

I personally have a great deal of respect for every newcomer who was admitted to Canada, who has elected to make Canada his or her home, to contribute to its development. One even had the qualifications and the courage to go before his peers and get elected, becoming a full-fledged member of the House of Commons. This gentleman was even appointed to cabinet. That is why I am proud to be a Canadian: I can see that, among us, there are people from various ethnic backgrounds, who are the pride and glory of this country.

So, I ask that the hon. member of the opposition withdraw his remarks on newcomers to Canada, nothing less.

Mr. Lebel: Mr. Speaker, it looks as if the hon. member for Bonaventure—Îles-de-la-Madeleine were dancing the cha-cha-cha in swinging doors. First, I never said that. I never allowed myself to decide who is a Canadian and who is not—and I never will. I will only say that I am not one.

I never said who was a Quebecer and who was not. René Lévesque—a man whom I really appreciated and who came from a Gaspé community close to that of the hon. member who just spoke—once said something with which I fully agree, namely that Quebecers were those who lived in Quebec, regardless of their origin. Quebecers are those who want to live in Quebec. As for myself, it was never my intention to insinuate, either directly or indirectly, anything to the contrary.

If the hon. member wants to do politics on that issue for 10 or 15 minutes, fine. I do not have to apologize to anyone because I did not insult anyone. However, I did want to point out to the hon. member for Saint-Léonard that he has my admiration and my respect. He knows that I was not referring to him and I think he understood it full well. Again, I want to convey to him my admiration, and that also goes for his family. That being said, I do not make apologies. The hon. member for Saint-Léonard has all my respect.

Mr. Martin Cauchon (Outremont, Lib.): Mr. Speaker, you will understand that, before coming to the heart of the matter, I would like to join the hon. member for Saint-Léonard and the hon. member for Bonaventure—Îles-de-la-Madeleine in denouncing the remarks made by the member from the official opposition, as well as explaining my feeling of dismay—to put it mildly. These remarks are totally inconsistent with the values we have developed in this country, the values we share and the values we have in Quebec. The transcript will bear witness to this.

I must say that, in addition to his personal attack on my colleague, the opposition member took on aboriginal people as well, saying that they were studying only because education was free. There was something fundamentally contemptuous in these remarks. They reflect the official opposition's deeply held feelings of contempt, a state of mind disrespectful of people and even more of the values they share.

In that sense, you will understand that I join my two colleagues in asking, as a Quebecer, that the official opposition member withdraw his words that I find unfortunate, to say the least. That being said, I will now address the issue raised in the official opposition motion.

(1620)

Anybody who cares to examine the wording of this motion, let alone its substance, will realize that, once again, the people opposite are basically trying to sell us a bill of goods. They are trying to pull the wool over Quebecers' eyes. That same attitude permeates all their policies. That can be said of the Bloc Québécois, but also, and even more so, of its head office.

Speaking of not being able to rise above petty politics, we can find superb examples not across the way, but with the Quebec government itself, a government whose concern ought to be to look after the interests of the people. This is a serious matter. What is at stake is the interests of citizens who put their confidence in a government, thinking that it would try to build a better society.

Among the most telling examples of the partisan attitude they cannot shed, I should mention the finance minister's budget. It is a real gem. When you resort to such an important instrument, something so essential in any society, to engage in crass political propaganda, something is really wrong.

Speaking to reporters, Mr. Campeau casually dropped these remarks: "If you vote on the right side at the referendum, we may well live in an ideal world, and there will not be any tax increase. It will be some kind of Garden of Eden". Such statements are a serious matter, coming as they do from the Minister of Finance of Quebec. Instead of indulging in petty politics, talking about the referendum, and trying to take Quebec out of Canada, he should be working hand in hand with the federal Minister of Finance in a responsible way to build a better society, a society our children will be proud of, if only we can tackle the real problems we were elected to settle.

Let us take the issues mentioned in this motion. They are serious issues. When I say that these issues are serious ones, I hear members of the official opposition commenting, a big smile on their face, because they do not really care about these fundamental and contentious issues. When we talk about the demands made by a province, it is important. It is also important for us, the federal government, to seriously consider the

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demands, to treat them fairly and, as the Minister of Intergovernmental Affairs said, to act responsibly.

I must say that I have a lot of trouble understanding all the animosity and fury with which the official opposition is tackling these serious issues, because on this side of the House, as the Minister of Intergovernmental Affairs pointed out earlier, we are doing everything we can to ensure that the decisions are made as soon as possible and in all fairness to Quebec and all of Canada.

Since I do not seem to understand, would the official opposition tell me if they would like us to pay without looking at the bills, without checking if it is our duty as federal government to pay for these expenditures? I sincerely doubt, Mr. Speaker, that that is what the people in all the provinces expect from the federal government. What we expect is a federal government which does not waste the taxpayers' money and has a good hold on the purse strings, and that is exactly what we are doing.

(1625)

In fact, not very well hidden behind this motion is a pre-referendum political strategy. The official opposition wants to create a smoke screen. It wants the people in Quebec to rise to the bait. I think these members are basically scornful, and I am weighing my words.

The three serious issues mentioned in the motion are being used for partisan purposes, for referendum purposes. I must say that I do not agree with that and I do not understand anything any more. They are trying to lay down a smoke screen, but this is of course premature. It is premature because, as we all know, the government has not made a decision yet. On the contrary, it is putting in place a procedure by which it will judge each claim on its merits. Also, instead of waiting for the process to end, the Bloc is trying to turn these fundamental claims of the people of Quebec into a purely political question.

This proves that the Bloc does not have the interests of Quebecers at heart, but that it is only interested in its own agenda, which is, at the risk of repeating myself, essentially the separation of Quebec.

I believe that Bloc members should sincerely listen to Quebecers. As I often say in this House, we were elected democratically. We were elected for the promises we made to Canadians. It goes without saying that the members across the way are not fulfilling their promises. The government of Quebec is not listening to the people. We were elected because we promised that we would rebuild people's trust in government, that we would have an honest government. We were elected because we said we would deliver, because we said we would tackle the real problems. They elected us because we promised them we would be a basically responsible government. We were elected because people trusted us not to throw their money out the window. And I must say that the people of Quebec want exactly the same thing.

I must also say that, by laying down a smoke screen, the Official Opposition will not succeed in making us react in an untimely or hasty way. On the contrary. In the best interests of the people, the best interests of Quebecers, we will follow a fair process to make sure that the hard earned money of the taxpayers of Quebec and Canada is well managed. We will certainly not fall into the trap set by the official opposition.

Speaking about good government and what the people expect from their provincial and federal governments, I would be remiss if I did not say a few words about intergovernmental co-operation. People elected us to solve the debt and deficit problem, create jobs, restore economic growth, help Canada carve out a place in the new global economy, and develop a labour force of which our country could be proud, which would attract new companies and make Canada competitive not just nationally but internationally as well. Co-operation is the key to all of this.

(1630)

How can this co-operation exist when you have on the other side of the House and in Quebec—and it is unfortunate—a government which does not want the system to work? We do not have to go very far to find some rather striking illustrations.

Let us take, for example, the last visit of the minister from Quebec who came to Ottawa to meet with the Minister of Intergovernmental Affairs. Quebecers have to wonder if the minister came to Ottawa to solve problems or to create problems.

When we see the attitude of the members opposite and the attitude of the Quebec government and the minister who just met with our friend, the Minister of Intergovernmental Affairs, I think that the answer cannot be any clearer. But the answer is also unfortunate because the actions of the Quebec government are far from being constructive. It is obvious that these actions are very prejudicial not only to Quebec and Canada today, but also to the future generations.

I have visited Quebec extensively these past few months, I have talked to Quebecers and I can tell you that they are sick and tired of these endless debates. They are really sick and tired of seeing a government in Quebec that is taking steps but in the wrong direction. People want increased co-operation, they want a constructive partnership, they want fiscal consolidation. These are all reasons for us to all sit down together and try to solve these problems as soon as possible so we can start building our economy and create jobs.

When I talk about misleading the people of Quebec, let us think about what happened eight months ago, when Quebecers placed their trust in a provincial political party which, you will remember, spoke of the other way to govern. It reminds me of a federal political party that spoke of the real power. According to the people I met, when they chose the other way to govern, they

wanted a responsible government, a government which creates jobs, a government which is interested in what they have to say.

Well, let us see what this other way to govern in Quebec turned out to be. It is simply a government that governs with its eyes closed and its ears plugged and with only one thing in mind: to achieve its own agenda. And everybody knows that the agenda is the separation of Quebec. It is just unbelievable. This reflects a lack of the most elementary respect for the public and is a denial of the mandate they received from the electorate.

(1635)

They are trying to give the impression in Quebec that there is something terribly wrong with the present federal system and that some problems cannot be overcome within that system. Of course, if you listen to them, you cannot get anything done within the present system. I say that, if you are prepared to work within the system, in good faith, there is much that can be done.

If governments could get together for two seconds, there are some extraordinary things we could do in Canada today to help this country enter the new era of free trade and maintain its position internationally. There are some eloquent examples of this. When we talk about the real problems, those people on the other side of the House start shouting because they do not want to hear the truth. They do not want us to tell the people of Quebec that they are not acting in the interests of Quebecers.

That is why you hear them shout like that when we, Liberals from Quebec who were elected as well, take the floor. Of course they do not see us as Quebecers because we do not share their philosophy, but we were elected in Quebec, and I am a proud Quebecer, and I believe that if we do a good job we can build a better and in fact exceptional Quebec and Canada.

There are some outstanding examples like the immigration agreement, the agreement on interprovincial trade and the agreements concerning la Francophonie. Finally, there is a lot more we could do, but wasting our time on motions like the one before the House today is not going to help us work in the best interests of Quebecers and Canada.

Mr. Nic Leblanc (Longueuil, BQ): Mr. Speaker, first off, I would like to call the hon. member for Outremont to order, because he accused the hon. member for Chambly of saying something that he did not say. I would also like to call the hon. member for Bonaventure—Îles-de-la-Madeleine to order for doing the same thing.

I think we have a good example of how members opposite play politics when they put words in the mouths of my Bloc Quebecois colleagues. I simply wanted to say this for the record.

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What they said about my colleague for Chambly is entirely untrue.

He also accused the Government of Quebec of shirking its responsibilities. I would call that sticking his nose into other people's business. We all know that the federal Liberal members from Quebec are not in the least bit, not even the tiniest bit, interested in the Government of Quebec. They are much more interested in making sure that Ottawa will control, manage and centralize everything. Because that is their outlook, they could care less about what is going on in Quebec right now. They have never had great faith in provincial governments, at any rate. For them, the only government, the only power in Canada, is the Canadian government.

Forcibly, they can only consider the provinces as managers of sorts. They confirmed this in the Charlottetown accord when they gave all of the power to Ottawa and the right to administer to the provinces. That is why this accord was flatly rejected. They claimed that they were decentralizing and giving the provinces the opportunity to manage or administer things. That is not what Quebec wants. Quebec wants powers, not just the opportunity to administer. And that is not just my message, not just the Bloc Quebecois' message, it is the message of the Commission on the Political and Constitutional Future of Quebec, the Bélanger-Campeau Commission.

(1640)

The Bélanger-Campeau Commission sure was a big production, one of the biggest since Confederation. Altogether, they received 600 briefs, heard 205 witnesses while 55 experts were studying the issue. They concluded that for Quebec's well-being, it had to be given at least 20 real powers, for example, education, tourism, economic development.

And the federal government, with the support of the Liberals, hatched a proposal which purportedly met all of Quebec's aspirations. What hypocrisy!

Charlottetown gave Ottawa even more powers, and Quebec, even more administration. They treated Quebec as if it were a province like any other, with no particular status and nothing distinct about it at all. Now, they butt in and would have us believe that the Quebec Minister of Finance, Mr. Campeau, the eminent Quebecer who co-chaired the Bélanger-Campeau Commission, is botching his job. That complaint probably came from one disgruntled voter in Outremont.

And they are absolutely right when they say that we are playing politics when we say that Quebecers will pay more taxes if they do not vote for sovereignty. The federal Minister of Finance decided to wait before adding to the Quebec tax burden. He will hit Quebec next year only. Yes, we are in for it, and we will end up sending our tax money to Ottawa, and the federal government will skim a good billion from it before shipping it back to Quebec. And it is very clear that, once again, the Government of Quebec will be caught in the squeeze to some

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extent, because the federal government fails to live up to its responsibility to give us back the money we send to Ottawa through our taxes. It gives us back less than we gave. It promised to keep paying. It made such promises. However, it does not keep them.

So in all likelihood the Minister of Finance of Quebec will have to raise taxes, because the federal government does not assume its responsibilities, pure and simple.

There was talk of jobs earlier. When it comes to jobs, we know that the job problem in Quebec is the federal government's problem. As I mentioned earlier in my speech, the federal government talks of political uncertainty, but political uncertainty does not take away jobs, economic uncertainty does. Top American experts, economists, American business people say so: they could not care less about politics when they are looking to invest in Canada. They say: "The reason we do not invest in Canada is because of its economic instability". This economic instability is the federal government's doing, as everyone knows. The Bélanger-Campeau commission report said so, and it was approved.

So this fine speech by the member for Outremont seems completely out of date to me. He did not understand. He really has not grasped what is happening in Quebec. I do not know where he comes from, but he is not from the same place as the rest of us real Quebecers.

No, what I mean, really, is that the real Quebecers are those who understand Quebecers. That is what I wanted to say.

Mr. Cauchon: Mr. Speaker, we do not have to try too hard to rise above our colleagues today. I have just been told that I am not a real Quebecer. Come on. Let us have a little bit of respect for who we are, for the society we represent and the values we have in common.

They have just proved that I was right when I said that they do not consider me a true Quebecers because I do not think as they do. They just said it, it is as simple as that.

To get back to the member's comments, I will be kind and say that remarks verging on demagogy, such as what we just heard, do not deserve a response.

(1645)

However, on the subject of commissions—the Bélanger-Campeau commission was mentioned—I will say that the PQ regional commissions throughout Quebec were a clear example of democracy being stifled. The commissions were created with the idea that they were to draw the conclusion the PQ wanted to see, namely that Quebec must separate, but in the end it realized that this was not what people talked about. People reminded the commissions that what they wanted the government to do was to rethink the role of government, deal with the economy and create jobs. But, despite this reality in Quebec and throughout

Canada, the PQ regional commissions offered in their conclusion solutions and recommendations which have nothing to do with the testimony they heard.

When it comes to commissions, I believe that the PQ national commission is a telling example of a government which refuses to listen to the people, which wants to manage, to rule, and to govern with only one idea in mind. And we all know what that is.

Mr. Maurice Bernier (Mégantic—Compton—Stanstead, BQ): Mr. Speaker, it is a pleasure to reply to my colleague, the member for Outremont. I know you will not allow me to say that 75 per cent of his comments were absolute lies, because I cannot say that, but I will say that 25 per cent of what he said is somehow related to truth and reality.

I would like to reply on one point in particular. He spent a good part of his presentation discrediting the Parti Québécois government. He said that if all these issues before us, the issues mentioned in the motion, are not solved, it is because there is a separatist government in Quebec. The member for Outremont devoted a good portion of his speech to that point.

The Parti Québécois government has been in place for six months. In Ottawa, the Liberal government has been in office for a year and a half now. Why did they not settle these issues when they were dealing with obedient federalists, ready to accept any kind of compromise to come to an agreement with the federal government? They had one full year to settle issues that have been dragging on for ten years. They did nothing. It is easy to see that the member for Outremont is taking us for a ride. Does he really think Quebecers are all that gullible? He is trying to delude us. He has lost all credibility in my view. He should have chosen to face reality, talk specifically to the motion and demand that his government find solutions to problems that have been dragging on for ten years, as I said before.

Mr. Cauchon: Mr. Speaker, earlier, during my short speech, I explained quite thoroughly how the federal government deals with the claims. The public understands very well that we are acting as a responsible government. So I am sure you see why I will not reply to comments that seem to come from someone who was not even here during my speech.

Mrs. Suzanne Tremblay (Rimouski—Témiscouata, BQ): Mr. Speaker, I always wondered what Pontius Pilate looked like in the praetorium. I think we saw that this afternoon. I will say no more.

We heard the hon. member making groundless accusations against us when he ought to have been defending Quebec. We are politicians in the House and our actions are political. We do not have to be ashamed of it, since we are paid for that. The hon. member boasts about the integrity of his government. It is not because one says that one is honest that one is, but because one acts honestly.

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(1650)

It is true that the population elected Liberals. Very often, it is because people did not have a real choice. When people had one, in Quebec, they elected the members of the Bloc Québécois.

Mr. Gagnon: Not everywhere.

Mrs. Tremblay (Rimouski—Témiscouata): No, but they did have a choice. Sometimes, they had no choice, so they elected Liberals.

What is important is the fact that this government has done absolutely nothing since it took office. That is why it is so popular. When one does nothing, one is not open to criticism.

This government has simply introduced in the House the legislation the Conservative government left behind. Once the Liberals introduced these Conservative bills, they had nothing else to propose.

One thing should be important for them. They have a new member who comes from Quebec and, as my colleague for Mégantic—Compton—Stanstead reminded us, the federalists had one full year to resolve the problem with the federalists in Quebec. Now, the population was misled by the hon. member for Outremont who barely mentioned what the whole issue was about. I would like to give the facts about the issue before us.

First, the motion. What does the motion tabled this morning by my colleague say? It says: "That this House deplore the federal government's delay in responding to Quebec's demands with regard to the education of young Aborigines in Northern Quebec amounting to \$199 million, to the compensation of \$135 million under the 1991–92 stabilization program and to the \$79 million claim for expenses incurred during the events at Oka in the summer of 1990".

That is to say the federal government owes Quebec \$333 million.

An hon. member: That is not peanuts.

Mrs. Tremblay: That shows that this government which claims to be a good manager of public money is very bad at paying its bills. This government brags about reducing the deficit, but to do so, it shifts its problems to the provinces.

We had already noticed it in the last federal budget, when the federal government announced a cut in health and education transfer payments. Now the government has decided it will not pay the \$333 million it owes Quebec. Yet, other provinces received a positive reply and even got back what was owed to them. Quebec has to wait once again, and the federal government even suggested that it should not expect much.

When Quebecers ask themselves who defends their interests in Ottawa, the answer is certainly not: the government of Jean Chrétien.

Since we cannot count on government members from Quebec to defend the interests of Quebecers, I will explain in simple words the grievances of Quebec regarding the payment of \$333 million, which is owed to us, but which the federal government refuses to pay.

As the motion already mentions, there are three amounts of money at stake. I will explain the \$79 million, incurred during the native crisis of the summer of 1990, which should have been paid back to Quebec under the financial support agreements in case of disaster.

(1655)

Nobody can deny the fact that the summer of 1990 was a disaster in Quebec, in terms of what happened in Oka and, above all, of the federal government sending in the army to deal with a catastrophic situation. That is why these \$79 million were spent by the Quebec Ministry of Public Security and by the Sûreté du Québec to maintain public order and protect the residents of the affected area.

The cause of the conflict was simply that a native group claimed to own the lands surrounding its territory. Natives are under federal jurisdiction. That is why the Canadian Army intervened in the Oka crisis.

Bill McKnight, then Minister of National Defence, told minister Claude Ryan, in a letter dated January 24, 1991, that is six months after the conflict ended: "The federal government has special responsibilities regarding the Indians". In that letter, he also made a firm commitment to the Quebec government: "In addition to the expenditures already approved, we will provide financial help to the province, in accordance with the guidelines on the implementation of disaster relief agreements".

This letter from the Minister of National Defence to the Quebec Minister of Public Security is as clear as it can be. The government admitted to having a disaster relief program and, therefore, it was obligated to reimburse Quebec's expenditures.

In 1992, the government wanted to show what a good player it was, so it admitted owing Quebec \$84 million and that it would give \$5 million to the province, an action by which we think the federal government indeed recognized its responsibility in this issue. It still owes us \$79 million. Why did the federal government change its mind afterwards? Why is it now refusing to recognize its responsibilities?

Supply

The government used faulty reasoning to avoid paying. Let us look at three of its reasons. First, it claimed it was making a distinction between public order, that was supposedly in jeopardy, and public well-being, that was not. These are the sorts of nuances that the government is capable of invoking. Beyond the fact that this distinction does not appear anywhere in the disaster financial assistance arrangements, it is obvious that public well-being was threatened by this crisis that affected all Quebecers.

Second, there was political interference in this issue. Indeed, it seems that the decision not to reimburse the expenses incurred by the Sûreté du Québec was taken in 1992 by the Treasury Board of Canada, despite an opinion given by its own experts and the Office of the Auditor General, who had recognized that at least a part of these expenses qualified.

So, how can it be claimed, as the minister did the other day, that someone refused to open the books? If the Office of the Auditor General has already recognized that at least a part of these expenses ought to be reimbursed, someone must have looked at the books at some point.

Third, the federal government gave as its criterion for refusing the amounts of money involved. The hon. member for Bonaventure—Îles-de-la-Madeleine used this argument this morning. Yet, the objective of the program is to help provinces or territories to face a disaster the costs of which would be an excessive burden on them. To accept the federal government's claims is to not only go against the spirit of the financial assistance program, but also to create a dangerous precedent.

(1700)

If we follow this reasoning, the federal government could decide to stop paying old age pensions or UI benefits to Quebecers, simply because it would cost too much this year. In return, people would not pay their federal income tax, because they would feel it is too high. One can see how such fallacious arguments could lead us to disaster.

Let us be reasonable for a moment. There are laws and regulations providing for the payment of certain sums to Quebec under specific terms and conditions. Quebec citizens pay taxes to Ottawa and they have the right to recover part of them. Whether or not the Liberal government likes the legitimate government of Quebec or the official opposition should not be a factor. Our \$79 million claim is only a matter of equity and fairness.

I will now move on to the \$119 million the federal government owes Quebec for the education of young aboriginal people. It owes us this money under the James Bay agreement. In this case, the federal government seems more open, as it does not deny having responsibilities in this area. However, it refuses to

pay, because these amounts were spent without a prior agreement between the federal government and the province.

Of course, the federal government does not appear eager to come to an agreement. It would then have had to pay its share. In this whole matter, the Quebec government acted in a perfectly responsible fashion. It acted like a reasonable man, as the saying goes. Instead of abandoning the aboriginal people to their fate, with no resources, to suffer from this wrangling between two levels of government, instead of closing schools for one, two or three years while this government negotiates an agreement, the Government of Quebec took its responsibilities, kept the schools open and kept young aboriginals in school, fulfilling its part of the bargain as well as that of the federal government.

And it is still waiting. The Quebec government has been waiting since 1986 for the federal government to pay back what it owes the province for paying both the federal and provincial share of expenditures. Now, if Quebec had decided to close schools, the federal government would have dragged the Quebec government all the way up to the Supreme Court of Canada and the aboriginals would have gone to the United Nations to complain about it. We took our responsibilities, Now, there are bills to settle.

I am baffled though. We have had consecutive governments, under Mr. Bourassa and Mr. Johnson for instance, that were federalist. Yet, and that is what amazes me, you were unable to come to an agreement among federalists and, as a result, the sovereignists now have to get up in this House to protect Quebec's interests.

Finally, there is this huge amount, \$135 million, owed to Quebec by the federal government under the 1991-92 fiscal stabilization program. Liberal federalists in Quebec had already put in a claim for this amount when they were in power. The Minister of Labour could certainly brief the Prime Minister and the Minister of Intergovernmental Affairs on this issue.

As for the Minister of Finance, he flatly refuses to make any payment. Once again, the government is applying a double standard, since provinces much better off than Quebec—namely Ontario, Alberta and British Columbia—already received payments under the same program. In this case, as in the other two, the amounts to be paid should be based on objective criteria. Yet, the federal Minister of Finance refuses to go to arbitration and settle the issue without seeking to score political points. Instead, the minister suggested that the Quebec government take its case to the Federal Court, and eventually the Supreme Court. So much for the brilliant ideas of this government. The government owes us money, but tells us: Take the taxpayers' money. We will do the same. We will continue to pay lawyers and go to court, even though we are perfectly aware that, under the existing regulations and agreements, we owe you that money. Is this the finance minister's idea of flexible federalism and friendly

administrative arrangements? We can only conclude that, with friends like him, Quebec does not need enemies.

(1705)

I am beginning to understand what government and federalist members mean by “flexible federalism”. The expression refers to a vision of Canada whereby Quebec must always yield to Ottawa and English Canada. Let me simply tell you that the Bloc will never ask Quebecers to yield. Quebecers are proud. They want to take control of their destiny, and they will soon set up their own country, in the upcoming referendum, with or without those \$333 million.

Mr. Patrick Gagnon (Parliamentary Secretary to Solicitor General, Lib.): Mr. Speaker, I listened carefully to the hon. member for Rimouski—Témiscouata while she kept hacking at federalism and the Canadian government. I would like to hear her criticize in the same way the threats made by the government of Quebec and its Minister of Education, Mr. Garon, to the university located in Rimouski, in her own riding.

Some people dare to accuse the Liberal members and to accuse me, the member for Bonaventure—Îles-de-la-Madeleine, an elected representative from grassroots Quebec, of not standing up for Quebec and my own area, and I find that totally unacceptable.

In my riding and in the vast majority of rural ridings in Quebec, people are mostly concerned about the economy. They are concerned about jobs. We are thinking about our future, but we know very well that the federal government, the Canadian government, is a worthy partner for us. I think the federal government has shown in the last few weeks or the last few months, in fact in the 18 months since it has been in office, that we want to get Canadians and Quebecers back to work. We set up an infrastructure program. In fact, the current government of Quebec is glad to use it. It is glad to show that it can get some of the workers in smaller localities in grassroots Quebec back to work.

By the way, on the native issue, I have not heard the hon. member say a word about their living conditions in Quebec and elsewhere in Canada. They did not tell us about how dismayed the whole world was when these unfortunate events happened in Quebec and what it did to the reputation of Quebec and Canada. True, I was not in Canada at the time, I was in Japan and, for a while, in France. But, believe me, all my friends, my associates and my acquaintances kept telling me about this problem with natives in Canada. And it saddened me to know that the government could not find a peaceful solution to the problem. But the Quebec government did call on the federal government

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for help. The premier of Quebec has the right to call on the Canadian army in a very difficult situation.

That is what happened. It is Quebec that asked for the army's involvement, not the Canadian government. The federal government spent \$133 million to send in the army and the RCMP.

(1710)

The Canadian government spends millions of dollars every year to maintain the peace elsewhere in the world and to ensure that other countries will follow Canada's example. But I do not want to digress. About the natives, it is the federal government which takes on the responsibility of creating a healthy economy at the local level for these people. We build houses and even cabins for them. We do everything to help them.

All we are asking of the government of Quebec is that it stop playing politics to the detriment of the most disadvantaged people. Everybody here knows that natives are not the most spoiled people in our country. Nevertheless, we hear the opposition and even some government members say that natives are treated differently. The claim that they are better treated than most Canadians is false. Suicide, alcoholism and all the social ills imaginable are more prevalent in aboriginal communities.

I grew up one kilometre away from an Indian reserve. And believe me when I say that I saw with my very eyes how these poor people were treated. People were reluctant to give them jobs, to let them play on their hockey teams or to welcome them in our French Catholic schools. Unfortunately, I think we all should examine our consciences.

Today's debate was an example of negotiations to come between a sovereign Quebec and Canada. We got stuck on tiny details: who owed who \$333 million, \$79 million, \$125 million and for what, and how Quebec has been taken for a ride for the past 125 years. How will we ever manage to negotiate? Now I ask the people watching us on television, do you think that we will ever be able to orchestrate a separation if, today, all they could do was condemn the federal government for wrong-doing? And they want to divvy up the debt, and share our currency and passport? They just want to coast on Canada's prestige.

The opposition should be told to go back to the drawing board. This new approach they are proposing to Quebecers is utterly unacceptable. They should just ask the question once and for all: “Do you want to stay in Canada, yes or no?”

Mrs. Tremblay: Mr. Speaker, what is surprising about these Liberal members of Parliament opposite is that they try to distract people's attention and talk about any old thing. I spoke of three specific matters: the federal government's debt to Quebec of \$333 million. We are not talking about peanuts, this is a lot of money for a people that needs every penny to grow and develop.

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The Liberals call \$333 million peanuts because they are used to wallowing in money with the Bronfmans and Power Corporation and because there are ministers in cabinet who are millionaires and who sail their boats under the Panamanian flag to avoid paying taxes in Canada.

The Acting Speaker (Mr. Kilger): Order, please. The hon. parliamentary secretary has risen on a point of order.

Mr. Gagnon: Mr. Speaker, the hon. member says I described \$333 million as peanuts, what about the \$2.5 billion we send to Quebec every year?

The Acting Speaker (Mr. Kilger): Order. With all due respect to my colleagues on both sides of the House, this was not a point of order, it was a matter of debate.

Mrs. Tremblay: Mr. Speaker, in 1985, the government of Mr. Lévesque was the first to sign an agreement with the native peoples. It was this government that went the farthest and that accorded the most to the native peoples in 1985.

In 1990, the October crisis unfortunately cast a shadow over relations between native peoples and the people of Quebec, perceptions changed.

(1715)

This crisis arose, once again, because of the indecision of the government of the day, a Liberal and a federalist government, led once again by Mr. Bourassa. Both times the army moved into Quebec, Liberal federalists were in power.

The Acting Speaker (Mr. Kilger): It being 5.15 p.m., it is my duty pursuant to Standing Order 81 to interrupt proceedings and to put forthwith every question necessary to dispose of the business of supply.

Is it the pleasure of the House to adopt the motion?

Some hon. members: Agreed.

Some hon. members: No.

The Acting Speaker (Mr. Kilger): All those in favour will please say yea.

Some hon. members: Yea.

The Acting Speaker (Mr. Kilger): All those opposed will please say nay.

Some hon. members: Nay.

The Acting Speaker (Mr. Kilger): In my opinion the nays have it.

And more than five members having risen:

The Acting Speaker (Mr. Kilger): Call in the members.

And the bells having rung:

The Acting Speaker (Mr. Kilger): Pursuant to Standing Order 45, the recorded division on the question now before the House stands deferred until Monday, May 29, at the usual time of adjournment, at which time the bells to call in the members will sound for not more than 15 minutes.

The chief government whip has the floor on a point of order.

Mr. Boudria: Mr. Speaker, I would request unanimous consent to further defer division until 5.30 p.m. Tuesday, May 30.

[English]

The Acting Speaker (Mr. Kilger): To be sure the House understands, the government whip has requested a further deferral of the vote to Tuesday, May 30 at 5.30 p.m. Is that agreed?

Some hon. members: Agreed.

Mr. Boudria: Mr. Speaker, perhaps you would find unanimous consent to commence private members' hour immediately, in other words consider it 5.30 p.m. and to do the same at the end of private members' hour, in other words finish 10 minutes ahead of time at the end.

The Acting Speaker (Mr. Kilger): Is there unanimous consent to proceed to private members' hour?

Some hon. members: Agreed.

The Acting Speaker (Mr. Kilger): It being 5.20 p.m., the House will now proceed to the consideration of Private Members' Business as listed on today's Order Paper.

PRIVATE MEMBERS' BUSINESS

[English]

UNDERGROUNDECONOMY

Mr. Paul Szabo (Mississauga South, Lib.) moved:

That in the opinion of this House, the government should consider the following initiatives for addressing the underground economy:

- (a) an enhanced information campaign to educate the public and to encourage their participation in addressing the problem;
- (b) a limited amnesty on interest and penalties otherwise payable when a taxpayer voluntarily declares income previously undeclared;
- (c) a tax credit to taxpayers on home improvements and renovations to provide an inducement to create the essential paper trail and to serve as one of the primary vehicles for the information campaign.

He said: Mr. Speaker, the underground economy materially and adversely affects the lives of all Canadians and literally costs us billions of dollars of revenue each year as a result. That is why I submitted Motion No. 382 to the House for consideration.

While the existence of the underground economy in Canada is an undisputed fact, estimates as to its size vary widely de-

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pending on the methodology employed to measure it. Estimates range from 2.5 per cent to 3 per cent of GDP to over 20 per cent of GDP; in dollar figures \$20 billion up to \$140 billion.

Even at the lower end of the range the revenue potential I believe warrants further initiatives to realize the potential and to contribute to the restoration of Canada's financial health.

There are good reasons why we should act now. As the finance minister has said, everything is on the table. It is imperative that moving forcefully on the underground economy be part of the overall strategy to meet our financial targets. Now that the economy is growing we must encourage as many people as possible to integrate back into the legitimate economy of the country.

The government currently has better tools to address the problem of tax evasion, but tax evaders are also becoming more sophisticated. Given this reality, it would be prudent to take advantage of new provincial information sharing and other initiatives before this new advantage is neutralized.

There are some general assumptions about the underground economy I would like to note. There is the premise that once you are underground it is very difficult to come out even if you wanted to. That is primarily because people who are working underground generally have offered arrangements and deals to their customers and clients substantially below the otherwise market price. That means customers come to depend on them.

In addition, once a taxpayer has evaded taxes and not reported that income and paid those taxes, there is interest and possibly penalties which grow over time and may grow to an amount which would be prohibitive as far as the taxpayer's being able to settle it.

Most of the underground economic activity is very difficult to detect because there is no paper trail, no invoice which would verify such activity. That is one of the aspects I hope to address with Motion No. 382.

Some of the arguments for dealing with the underground economy include the statement that if every Canadian paid their fair share we would all pay less. We must all do our part and fulfil our responsibilities and become part of the solution.

Since the recession clearly added to the underground economy these new additions are the people we have to get back before their dependency becomes irrevocable. I believe focused efforts on certain segments will be most successful but a general initiative should still have positive results because the first wave of results will come from reminding Canadians of their legal and moral obligations.

While the size of the underground economy is elusive, Canadians consider it large enough to warrant attention. There are a number of reasons people choose to participate in the underground economy.

The first and most fundamental is basic greed, people taking care of themselves at the expense of others. The second is a belief in the myth that everyone is doing it and nobody is getting hurt, which clearly is not the case. Some feel it is easy to get away with because we have an honour system in our tax system of declaring income. There also is a perception that no major effort is being made to stop it. Some would suggest the income tax system is too complex and too cumbersome to operate within. We have matters such as the level of respect for government and politicians. It is a problem in today's society.

(1725)

The objectives of the strategy to address the underground economy generally include to recover revenue legally owing to Canadians, to encourage voluntary compliance and to protect the interests of honest taxpayers.

To educate Canadians on the facts about the seriousness of the underground economy and how we can help is extremely important. We need to demonstrate to Canadians the government is appropriately discharging its responsibilities in enforcing the law through tough but fair actions. We want to eliminate illegal activity which harms the Canadian economy and thus all Canadians.

Tax evasion compromises the government's ability to provide essential social and economic programs. It leads to unfair competition to honest businesses and it places an unfair burden on honest taxpayers.

I refer to the 1994 report of the auditor general in relation to the income tax system: "The success of the tax system depends ultimately on the public's willingness to meet its tax responsibilities through voluntary compliance. This willingness is fostered by showing respect for the taxpayers and gaining their confidence through a proper balance between facilitation and enforcement". Today I am tabling this motion and its proposals to address in part both of these aspects.

In the tax act there are consequences for failing to declare income, to report a tax return. I will outline them very briefly. If a taxpayer fails to file a return he or she can be subject to a penalty of 5 per cent of the tax unpaid. In addition, there is an interest charge of 1 per cent a month to a maximum of 12 per cent. Failure to report income can get up to a 10 per cent penalty on the income if the person were shown not to have reported income in the previous three years. In all these cases interest is compounded daily.

With regard to wilful tax evasion, the penalty prescribed is up to 50 per cent of the tax owing. If the individual is charged there can be an additional penalty ranging anywhere from an addi-

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tional 50 per cent up to 200 per cent of the tax plus imprisonment of up to five years. Needless to say these penalties are very extreme and reflect the seriousness of the problem of non-compliance with the Income Tax Act.

I do not suggest the government is not interested or not taking appropriate steps with the underground economy. Much to the contrary, I believe the motion compliments much of what the government is now doing.

As we all know, the government has entered into a number of provincial information sharing agreements to assist in detection, including joint audits, shared strategy and techniques and training. There have been increased investigations and audits, particularly in identified areas of high non-compliance. These include home renovations, construction, auto sales, restaurants and jewellery, as well as other service sectors.

The government has also embarked on a program of higher publicity of prosecutions. It also has found that as a result of this increased publicity the amount of voluntary disclosures has doubled. Each year Revenue Canada handles 15,000 leads or referrals as a result of its audit activity. It is working closely with the key stakeholders, with businesses, professionals and with the provinces to deal with tax evasion, the underground economy and smuggling.

To give an idea of the extent to which it has that co-operation, Revenue Canada has held consultations with more than 240 groups representing a wide range of industry sectors, including the Canadian Institute of Chartered Accountants, the Canadian Homebuilders Association, the Direct Sellers Association, the Canadian Jewellery Association, the Canadian Restaurant and Food Association, tourist associations and chambers of commerce.

These initiatives have helped to refine our strategies, identify areas of non-compliance and explore initiatives for improving that compliance. I believe that Motion No. 382 complements these initiatives by placing a greater emphasis on the role of the Canadian public.

(1730)

I would like to suggest some general approaches which we can consider in addressing the underground economy. Certainly the information sharing agreements with the provinces will lead to enhanced opportunities for the traditional audit. The public, through an educational and information campaign should be assured that the agents of law enforcement will get appropriate support as well as become more effective. In fact in 1994-95 Revenue Canada's enforcement activities and its underground initiatives are expected to add an additional \$3.8 billion to its tax assessment. Other approaches must concentrate on labour intensive sectors and other high probability areas, some of which I have already mentioned.

In launching a general information campaign to address the myth that everyone is doing it, we are going to go a long way in breaking the back of the underground economy. Most Canadians will think twice if they know there is a serious and substantial risk of being caught and that the consequences which I previously outlined are very serious.

Tax evasion is a crime. It is not a victimless crime, as often is argued. All Canadians are its victims because tax evasion leads to among other things job losses and an increase in the deficit. Honest taxpayers are carrying more of the burden of taxation. Legitimate businesses are operating in an environment of unfair competition, often leading to their bankruptcy. We must stress the theme that people who evade taxes are in fact cheating honest taxpayers, including the poor, the needy and the disadvantaged.

We need to publicize the number of investigations, leads and referrals which are received by Revenue Canada each year from Canadians who know tax evaders and are very concerned about the prevalence of tax evasion within our society. Many more Canadians would contact Revenue Canada if they only knew that those calls would be followed up. We must encourage and promote voluntary compliance as well as enlist the support of all Canadians. We have to ask them to just say no to tax evaders.

The preferred approach to non-compliance is voluntary disclosure and voluntary compliance. That is why this motion emphasizes public education and incentives for compliance rather than some aggressive measures which others may propose. The taxpayer must ultimately be treated fairly and with respect.

The underground economy permeates Canadian society for the benefit of some but to the detriment of all. Canadians must realize that underground economic activity makes victims of us all. Honest businesses are faced with unfair competition. There are job losses because many of those businesses go bankrupt. Health, education and other essential economic and social services must be reduced because of the reduced revenue. Honest taxpayers must pay more to make up for those who do not pay.

Most Canadians have been faced with an offer to pay cash for a lower price. What we do not realize is that to accept a deal from a disreputable service provider is not only to condone the crime but also to promote tax evasion. When someone offers a lower price for cash but no invoice, not only do we lose the revenue but the consumer also gives up needed protection.

In my experience we do get what we pay for. When we go underground to provide services, or particularly when consumers accept underground services, they can expect lower quality work and lower quality materials because those businesses do not have to comply and will not comply with the industry regulations. As well and most important, consumers do not get the protection and the guarantee they would otherwise have if

they had an authorized purchase order and/or an invoice. When the customer goes underground as well, he has no recourse and no protection.

This motion also asks the House to consider a couple of very specific initiatives.

(1735)

Members should be aware that in the United States 25 states have at one point or another attempted to introduce or have introduced amnesties of sorts where tax evasion is a problem.

I am proposing a limited amnesty. It is not very specific in terms of its details, but is a limited amnesty of approximately a two or three month period on interest or penalties otherwise payable when a taxpayer voluntarily comes forward and discloses and reports income previously unreported. I would like to repeat that. The amnesty has to do with interest and penalties, not the taxes otherwise owing.

Phase two of the amnesty would implement an enhanced effort to crack down by engaging more investigators on a contract or commission basis possibly. This phase would continue as long as there is a favourable pay back.

With regard to ongoing efforts, we would report regularly to the public on the success of the program and consider an extension of the time frame as has been done with such things as gun amnesties. Our analysis of those who come forward will also provide information to the government which it can use to focus future efforts, thereby creating a ripple effect of the benefits.

This particular aspect of a limited amnesty is merely a suggestion which may or not have merit quite frankly. It is the kind of thing however I am hoping that the House will give due consideration to in committee.

The second specific new approach I proposed in this motion was an input tax credit. We must let the public know that when they patronize a supplier for the cash price without an invoice, they are actually condoning fraud. By refusing to do business with those who do not give invoices, they will become part of the solution.

After some work that I had done with the finance committee particularly with regard to the hearings on the GST, one of the facts that came out clearly throughout that process of public consultation was the extensive admission of underground activity in certain sectors. That was readily forthcoming, particularly because honest businesses represented by these associations and organizations were hurting. They were going bankrupt. We were losing jobs.

The construction industry particularly related to home renovations and improvements was found to have, based on the information from those associations, anywhere from 25 per cent to 40 per cent of its activity underground. That is over \$1.5 billion to \$2.4 billion. There is a substantial amount of tax

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revenue lost to the government because that business activity has not been reported by those businesses.

The proposal therefore states that as an inducement for the public to be part of the solution, we offer a tax credit possibly for the GST paid on home improvements or renovations. The taxpayer would be required to submit an original invoice or at least keep one available for a review should they be subject to audit and submit it as part of their tax return or by a separate filing.

The objective here is to create a real paper trail in an area of abuse with which most people are familiar. Their reward is a tax credit. Although that tax credit would reduce the revenues otherwise available to the government, it does mean that we generate reported income on which federal, provincial, corporate or business taxes are paid on which withholdings for payroll, health care and other source deductions that are matched by the government also would come into the system, thereby generating substantially more revenue.

This initiative would also I believe constitute an excellent vehicle through which to educate the public on the problem and to discourage generally under the table economic activity. Finally, this initiative is basically geared to help support honest businesses that are prepared to provide an invoice.

Consider someone who has been operating underground for sometime who approached a prospective customer. If that customer asked for an invoice, it is very likely that the business person would refuse to do the business simply because they would have to provide a piece of paper which would provide that essential audit trail and be a verification of the economic activity.

(1740)

Initiatives like this may assist us in terms of dealing with the underground economy.

I have taken the opportunity to speak with members of all parties about the matter. I am finding across the House a very strong interest in this subject matter because of its importance to all Canadians.

I am not very concerned with regard to the specific initiatives. The ultimate objective is for the House to adopt this motion as a vehicle to bring the underground economy as an issue of importance to all Canadians to committee. Then together we can explore methods in which we can address one of Canada's most serious problems, the underground economy.

[*Translation*]

Mr. Yvan Loubier (Saint-Hyacinthe—Bagot, BQ): Mr. Speaker, I welcome this opportunity to speak to Motion No. 382 standing in the name of the hon. member for Mississauga South. When I read the motion and the accompanying material, I was pleasantly surprised by the hon. member's trenchant analysis in his short but very interesting paper. I must say he put his finger on a fundamental problem in Canada's tax system, and I am referring to the fact that a social contract between taxpayers,

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individuals and even businesses and various levels of government has been broken.

This situation is so serious and so widespread, so deeply anchored in our day to day lives that recently, when the premier of Quebec, Mr. Jacques Parizeau, was buying furniture for his residence, he was asked by the salesman: "What do we do about the tax?" When we get to the point where even the Premier is asked whether the tax should go on the bill, the problem is fundamental and requires our full and undivided attention if we are to find a way to deal with the underground economy and the problems it creates for the tax system in Canada, Quebec and all the other provinces.

There are some very interesting ideas in the hon. member's document, and although the official opposition is not usually fulsome in its praise for Liberal members, and you must be aware of that, Mr. Speaker, when valid points are made, when we are offered an intelligent analysis of a problem, we are open to discussion, we are prepared to explore the best ways to deal with a situation, especially one that concerns public finances.

Consider the three suggestions the hon. member for Mississauga South explored in his motion. One is to inform the public. Many taxpayers are not aware of the impact of certain decisions or do not realize the overall impact of the decisions they make every day as consumers. Here is an example. Before the dollar dropped to 73 cents, when it was still 81 cents or 84 cents, people would tell us, and this was quite common: "Last week I went to the United States. I went shopping in the United States, because it was cheaper". That was not necessarily the case, but that is what they said. And those same people were mad as hell about the lack of jobs in Quebec and Canada.

The connection between what they do as consumers and what happens to the economy and employment is not always clear in people's minds. A campaign to educate the public about the underground economy and the impact of acts of civil disobedience, which is what we should call this today, might improve the situation in the future and make taxpayers more conscious of their obligation to contribute to the public treasury through their taxes.

The second suggestion made by the hon. member for Mississauga South also deserves our support.

(1745)

A limited amnesty for income tax returns of previous years, not future years, should not encourage more people to evade taxes. On the other hand, a limited amnesty for the payment of interest and penalties on unreported incomes subject to federal or provincial income tax could encourage some people, who must feel ill at ease from time to time even if this practice is almost institutionalized, to pay what they owe. People may feel

ill at ease by not fulfilling their civic duty to pay their normal share of taxes.

The third option suggested is also very interesting. Every one knows and talks about the fact, even if there are no comprehensive statistics about it, that renovation and construction is an area where the underground economy is flourishing. This is why a tax credit for tax payers who do some renovation could be an interesting idea to explore.

In short, the three proposals and the clearness of the analysis are such that we, as the official opposition, will support the proposal of the hon. member for Mississauga South because it is an intelligent and articulated proposal which deserves to be examined in depth by the standing committee on finance. I invite my colleague, who will have my support as a member of the committee of finance, to present his analysis and to suggest various options to the committee, as he did when he tabled his motion.

I also congratulate him for the clear thinking he shows on page 1 of his document when he says: "In the event of—this refers to the present context—cuts in social programs and a harsh budget—probably the last budget, and even the first one, both were hard on taxpayers, especially the poorest ones—the government will be blamed for not taking action in certain areas".

I congratulate him for having the courage to recognize that the context is very difficult due to the budget measures taken by the finance minister who is slashing transfer payments to the provinces for social assistance, post-secondary education and health, and is also taking, as of this year, \$2.5 billion out of the unemployment insurance fund.

My colleague for Mississauga South has the sense to recognize that the government could be blamed for not acting in the areas where it should. He thinks along the same lines as we do.

For the past 15 months, as you know, we have been blaming the government for not taking action in certain areas—we seem to be exceedingly repetitive, but we will keep at it as long as it is not done.

First, when Revenue Canada is not given the necessary resources to collect unpaid taxes, which, over the years, have grown to \$6.6 billion, according to the auditor general, and 75 per cent could be collected, in his estimation, with the proper resources, I agree with my colleague for Mississauga South, the government could be blamed for not taking action and for not immediately giving Revenue Canada the necessary resources to collect the amounts owing, amounts which are not even in question. We are not talking about avoiding taxes and the underground economy, we are talking about taxes that have not been paid because Revenue Canada does not have the resources to collect them. The government is to be blamed for this.

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My colleague from Mississauga South said, and rightly so, that we are watching the goings on in government and that this is eroding our trust. Every day, we make new discoveries—so does the auditor general each year—regarding more wastage and lavish spending. We also are discovering places where the federal government failed to close tax loopholes. On this point, I agree with my colleague, who had the courage to say that his own government failed to do what it should have done.

They have to practice what they preach. When we see that people in government are still spending extravagantly and wasting money, for example, the trip to the United States for members of the Canadian armed forces for a rocket launching competition, holidays for diplomats at the taxpayers' expense, and when we see that the government just brushes these questions off, I think we must all admit that the government is sitting idly by, when it should be in action.

(1750)

Let us look at compliance with tax laws. This issue has been in the news for the past two weeks. Once again, contraband cigarette shops are opening up all over the place. It is obvious and the government is not allocating the resources necessary to ensure compliance with tax laws.

Here again I agree with my colleague, the hon. member for Mississauga South. The government could be accused of not acting where it should. All this must be straightened out, as far as the tax system is concerned.

I am not talking only about the federal government, but all governments. Restore confidence, make the public aware of the consequences of not contributing adequately to the tax base, and give a good example. I think these are the essential ingredients to restore the social contract and to improve public finances.

I once again congratulate my colleague from Mississauga South. The official opposition will support his motion.

[English]

Mr. Jim Silye (Calgary Centre, Ref.): Mr. Speaker, I am pleased to rise tonight to address Motion No. 382, which calls on the government to adopt initiatives to bring people out of the underground economy and back into the legitimate economy of this country.

The member for Mississauga South seems convinced that an enhanced information system campaign, a limited amnesty, and a home improvement tax credit will do just that. Here we have yet another Ottawa Liberal politician pushing for reactive legislation to a problem, which does not address the fundamental question of why people go underground in the first place. It is for reasons like high taxes and confusing, complex, and convo-

luted tax systems, GST administration and accounting costs and the list goes on.

To set the tone of my speech I would like to read a quote that was made by Alex Doulis, a very successful third generation Canadian who like many has simply packed up and left this county. He states: "I left Canada in 1989 because I began to feel powerless. I could not influence the direction of my life, which was increasingly in the hands of the Government of Canada, and the government was deaf. The problem with Canada is it has responsible government. I was giving them immense amounts of money and they used it to perpetuate their power so they didn't have to listen to me. They were responsible for me, but they did not have to represent me".

The current income tax system in Canada is outdated, overly complex, and overburdens Canadian taxpayers. Many people have lost respect for this system because they cannot understand it. They do not perceive it as fair and as a result they are quietly resisting paying taxes by both legal and illegal means.

The underground economy is evaluated at between \$10 billion and \$100 billion. High taxes stifle economic growth in every sector of our society, decreasing private sector productivity, increasing unemployment, and above all tempting governments to keep spending at current unsustainable levels.

That is why so many Canadians are angry at politicians and what politics and government have come to represent. For me personally, rhetoric, regulation, waste, and arrogance are just a few words that come to my mind when I think about the Liberal government and the opportunity it has to effect change.

The reality outside this fish bowl is that some people grin and bear PSTs, GSTs, income taxes and sin taxes while others choose to go underground to increase their purchasing power. All these people have to do to justify breaking the law is pick up a daily newspaper and read one of the many stories of government waste on things like grants to study blueberry jam, parliamentary junkets, MP pensions for life, and the list goes on. It is this type of negative reinforcement that encourages many honest Canadians to pay cash for goods, negotiate deals or trade their services, anything to avoid paying excessive taxes to wasteful governments.

These are not simply my views, but those reflected in one of the first speeches made by our Minister of Finance in 1994. He stated: "The rise in the underground economy is what happens when the population of a country no longer believes it is heading in a direction where we all benefit. The underground economy is not all smugglers. It is hundreds of thousands of otherwise honest people who have withdrawn their consent to be governed, who have lost faith in government".

Private Members' Business

(1755)

He is aware of that. What is he doing to change it? Nothing. They still spend \$40 billion more than they bring in every year. Unfortunately, Motion 382 is an example that the Liberals have done nothing to restore a sense of faith, equality, and equity in our tax system.

Not only are these people avoiding Canadian taxes, many are moving their capital completely out of Canada to invest in foreign countries. According to the Bank of Nova Scotia, in 1993 unaccounted for capital that left Canada was estimated at \$7 billion. The estimated figure for previous years was consistently around \$700 million. It went from \$700 million to \$7 billion in just a few years. That is frightening.

The former attorney general of Bermuda puts this into perspective. I read this in a book by Diane Francis, *Underground Nation*, where the attorney general of Bermuda is quoted as saying: "People in huge numbers are hiding money offshore because they feel overburdened or feel so unfairly treated that they think there is no point in keeping their money captive at home. What is happening is that high tax rates in Canada and elsewhere are turning what used to be hard working honest businessmen into tax evaders. The feeling I get from Canadians and certain island institutions is that they are getting a lot of Canadian money invested outside of Canada which is not there legitimately".

Why will the government not wake up? The best way to solve the problem of the underground economy is by making cheating not worth while, similar to the smugglers' bill: take away the profit from the smugglers and get rid of that tax and smuggling will end. Lower taxes are the answer.

When people see governments like this one blow their hard earned tax money, increased enforcement from a government standpoint is an exercise in futility. Motion 382 calls for voluntary compliance measures to bring these people back into the mainstream economy. Voluntary compliance measures will have little effect on people who truly feel they have been wronged by the government. It is human nature.

Although I do not condone those who knowingly break the law, the reality is that if governments do not play by the rules, what incentives are there for their citizens to play by the rules? Why is there a double standard that when you are a politician you get a pension plan that is three or four times as good as that of the private sector? Do as we say and not as we do is fast becoming the new Liberal slogan, replacing jobs, jobs, jobs.

Although the Liberals campaigned on integrity and a new philosophy of governing, I along with many Canadians feel that we are watching the same play in the same theatre with different

actors playing the same roles. The names have changed but it is the same old script.

For example, with Motion No. 382 a member of the government is calling for additional tax dollars to be spent on advertising to inform Canadians of the importance, the incentives, and the obligations to pay taxes. Where is the importance and the incentive and the obligation of the government to justify how it spends money and to eliminate the waste in government spending? Why is that not addressed in the motion?

If the government has to offer incentives to comply with its policies then there is something wrong with those policies. Like the Tories, however, the Liberals do not get it. Rank and file Canadians are protesting the tax system in Canada and their concerns are not registering with this administration. Surely the estimated size of the underground economy and nationwide tax protests should have sounded some alarm bells within the Liberal caucus. Apparently not. Motion No. 382, for example, has an amnesty clause to encourage people to come clean and pay taxes they have avoided without fear of punishment by the government. Where is the common sense logic in this suggestion? An amnesty will only get people to pay the taxes they refused to comply with in the first place. How is that an incentive?

It is time for the Liberals to stop these nickel and dime, band-aid solutions for problems with our tax system and begin the long overdue process of tax reform and tax relief. Attack the disease, not just the symptom. The Reform Party understands the difference between the two. That is why we have committed ourselves to spending reductions and tax reform, including the development of a simple, visible, flat system of taxation for Canada. The single most important aspect of this system is that it would be fair, removing the incentive for many to go underground in the first place.

It is interesting to note that Motion No. 382 is targeted at GST avoidance, which indicates that the Liberals have truly backtracked from the campaign promise to scrap the GST.

Our whole process of tax reform and relief would come under the umbrella of spending reduction and restraint. A Reform government would legislate balanced budgets. We would protect taxpayers dollars by reducing the size of the federal House, not increasing it to 301 as this administration plans to do.

(1800)

We would pass more responsibility on to provincial governments as well as individual Canadians. The time has come to put money back into the hands of those closest to the problems facing Canadians and, most important, those who will spend it best.

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In conclusion, a Reform government would mean effective government, a transparent government with full disclosure. We would introduce proactive legislation to clean up the fiscal mess in the country which many Canadians are doing their best to avoid.

The Liberals on the other hand will continue to propose band-aid solutions like Motion No. 382. I have a message for all angry Canadian taxpayers out there when they come to the end of their financial rope: "Tie a knot, hang on, a Reform government is just around the corner".

Mr. John O'Reilly (Victoria—Haliburton, Lib.): Mr. Speaker, it is always so nice to follow the doom and gloom party.

It is a pleasure to speak today on Motion No. 382 introduced by the member for Mississauga South. Basically the motion calls on the government to consider establishing initiatives to address the massive underground economy that exists in Canada today.

The issue is of concern to me and should be of concern to all Canadians. I have even managed to address the matter while I was vice-chairman of the Standing Committee on Public Accounts. I had the opportunity to ask one witness, a deputy minister at Revenue Canada, about Canada's underground economy. He said that a lot of the situations which caused the underground economy were for elected representatives to discuss and address. This is what we are doing today. My colleague from Mississauga South has proposed ways to address the problem I spoke about before the committee.

The underground economy has a great deal of strength in Canada. The exact size of lost revenue is unknown, with estimates ranging from \$20 billion to \$140 billion a year. What is known is that each time someone participates in the underground economy money to help pay for our programs such as health care or education is lost and will most likely never be recovered.

It is safe to say that we are taking money from ourselves by being part of the underground economy. We must ask ourselves what is causing this type of economy, one the Minister of Finance does not want to see grow. It could be the threat of taxes. It could be the problems with the Department of National Revenue. It could be the perception that the system is bogged down in bureaucratic red tape. It could be a lot of things. Is it the hated GST? For whatever reason it is real. The underground economy is alive and well.

I hear stories in my riding of Victoria—Haliburton about welding shops which have gone out of business and now operate out of a truck and only collect cash. I hear of car body shops that only deal in cash, buy their materials in cash and pay their employees in cash. It has been said that there are restaurants which pay students cash and tell them not to report it. Some

people have told me of contractors who continually give two quotes, a quote for cash and a quote for the legitimate way. Furthermore, some people have actually removed their business listings from the phone book so they can work in cash.

I know a lot of these people were never tax cheaters in their lives, but they may have been forced into operating this way or feel they have to operate this way because they have been doing it for so long and penalties would be too harsh if they come out and operate honestly.

One part of the motion is designed to address the situation precisely. The second part of the motion is designed to give some relief or limited forgiveness on interest and other penalties payable when a taxpayer voluntarily declares previously undeclared income.

Be honest and you won't be punished is the message in the motion. Another part of the motion suggests educating the public about the problem and encouraging its participation in solving the situation.

Our tax system is based on taxpayers voluntarily filing and paying their taxes. It is probably the least expensive way for the federal government to collect taxes owing. However there are some who do not pay which gives some businesses an unfair advantage. In the long run, if every Canadian paid their fair share, we would be further ahead. Most important, we would be paying in a far fairer way.

Nothing is more frustrating for small businesses such as contractors bidding for a job to lose the bid because the competition put in a low bid and an under the table bid.

(1805)

Another part of the information campaign deals with ensuring people realize the federal government, in particular the Department of National Revenue, is addressing the problem of the underground economy. In the future more people will be exposed for contributing to the underground economy and once caught there are some serious consequences to consider. Furthermore the information campaign must stress that jobs are lost when the underground economy flourishes.

Canada must begin to realize that doing things above board is in the best interest of everyone involved. At the same time this part of the motion calls upon us as a government to help to create an atmosphere in which doing things above board is acceptable. There are other ways to encourage people to do things above board and the third part of the motion touches on them.

The third and last part of the motion deals with giving tax credits to people who are doing home improvements or renovations. The idea is to diminish the two-quote system which already exists. It also creates a paper trail that can serve as a primary vehicle for the information campaign I mentioned earlier.

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We as a government must make sure that society is not punished for being honest. We must create an economy in which hard work and dedication are rewarded. We do not want to send out a message that it is all right to operate in the underground economy because everyone else is doing it.

One of our priorities when we were elected was to focus on jobs and growth. The motion helps to maintain that message and I urge all members to support the idea of the hon. member for Mississauga South.

Mr. Bob Ringma (Nanaimo—Cowichan, Ref.): Mr. Speaker, I would like to speak to both sides of the motion presented by the hon. member for Mississauga South.

One positive side is that the member is looking for solutions to a problem. I endorse that. I encourage members to do that type of thing. The other positive side to the motion is that it reflects what many constituents are thinking. There are constituents who are saying that the present situation is unfair to legitimate business. There are other constituents who are saying that we can work our way out of it.

I refer to a letter from a constituent who came to see me in my constituency office in Nanaimo some weeks ago. His name is Gary Chandler. His thoughts were to give each taxpayer a new deduction on income tax which would represent 5 per cent to 10 per cent of taxable income for improvements to a principal residence. Canadians have more savings per capita than the people of most countries. The measure would free up enough of that money to reduce unemployment. It would also cut into the underground market as legitimate receipts would be required.

When I read the letter and talked with the gentleman I thought it was an attractive idea, that it was something positive to undercut the burgeoning underground economy. I am not an expert in this regard so I decided to find out what my colleagues in the Reform caucus thought. I passed it on to them and the caucus financial committee discussed it. They went at it in some detail. However they found that they could not support it for the following reasons.

First, they said the taxes that would be forgone by this type of exemption would make it quite costly. The next point they brought to my attention was that it would therefore be necessary to extend the same tax privilege to other areas such as car repair, small appliance repair and household appliance repair. All sorts of areas would stand in line and say: "Us too". Before we knew it we would have a whole series of exemptions that would affect the way we do business.

(1810)

The third reason they gave was that it would move us, certainly as a party, away from our proposal for a flat tax system. A lot of Canadians are complaining about the tax system. We have to make it simpler and easier to understand. The forms

have to be simpler and so on. This type of exemption would move us away from that area.

The final reason they could not support it was found when examining the reason for having the underground economy. This is the principal one. The reason we have an underground economy is the same reason my colleague pointed out a few minutes ago. The government's spending level is too high. Therefore the taxation level is too high. We keep pounding at that over and over again. We realize we have a \$550 billion debt and it is growing. We have to do something about it.

The government is now taking some small steps toward reducing deficit spending. We do not feel it is enough, but it is the basic reason behind the fact that we have an underground economy. Unless we tackle that first we will not solve the bigger problems.

I compliment the member for Mississauga South for raising this initiative and for trying to solve the problems. While it is reflective of the thinking among constituents asking how to solve the problems, nevertheless overspending and the high taxation rate on the part of government must be overcome first.

Mr. Jerry Pickard (Essex—Kent, Lib.): Mr. Speaker, I commend the member for Mississauga South for his interest in bringing this important subject to the House. There is absolutely no question our Minister of National Revenue and members on both sides of the House are very concerned about the direction of our underground economy. The issue has the focus of all Canadians and is very important to all Canadians across the country.

The greater the activity in the underground economy, the less revenue there is for governments. Underground economic activity creates unfair competition for honest businesses. Jobs are lost and honest taxpayers are forced to pay more of an unfair system in taxes when the underground economy flourishes.

For many individuals and businesses the underground economy has become a convenient way to avoid paying taxes, not to pay their fair share. When these people take their financial transactions underground they are failing to support Canada's social and economic programs. These people do not pay for the services they use. Instead other Canadians are forced to pay more. Other Canadians are forced to pay for those who participate in the underground economy.

I am very surprised the member for Calgary Centre suggested and almost condoned the underground economy and gave reasoning for it. It is serious to all Canadians that no one condone the practice. It is certainly not morally sound or fair to Canadians.

People who deal in the underground economy may feel their financial situation justifies the actions. It may be because they have not had a raise in several years. It may be because they feel the taxes are too difficult for them to comprehend. It may be just because of basic greed. They see it as cheating the tax department. It is not a simple matter of cheating a victimless tax department. It is cheating friends, the people who live next door

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and the people who do business in the community. It is cheating every Canadian, forcing them to pay more in an unfair system.

(1815)

I ask members as well as all Canadians to consider the real cost of the underground activity. The cost is large. It shows up in reduced essential services, higher taxes than we would otherwise be paying, unfair competition and a reduced standard of living to the honest taxpayers.

How does the underground economy affect the legitimate businessman trying to be competitive? The Canadian Home-builders Association is concerned. Home renovators who evade taxes have an unfair advantage over other home contractors. Right from the start, honest businesses are at a competitive disadvantage because they cannot offer the consumer the same deal offered by someone who will not collect the taxes. The end result is that legitimate businesses face unfair competition and jobs are lost.

We must not forget dishonest consumers. Dishonest consumers who take a lower price and pay cash are cheating the system. They are becoming party to the evasion of taxes. These same consumers benefit from a full range of government services but are not paying their fair share. All they have done is take part in the transaction which jeopardizes our health, education and other essential services. This is simply unfair and very short sighted.

The motion before us suggests the government educate the public and encourage its participation in addressing the problems. I agree Canadians need to know the facts about the seriousness of the underground economy and what it is doing to hurt Canadians. I also agree governments cannot solve the problem alone. We all must take part and fulfil our responsibilities.

The government has recognized solutions to this problem it is now facing are not in isolation by themselves. We must understand the problem and its consequences. It is for this reason that in November 1993 the Minister of National Revenue made education a fundamental element to address the underground economy.

During this past year, officials of Revenue Canada have actively been consulting with individuals and associations

across the country. Revenue Canada is seeking support of groups and individuals throughout the country. With the Canadian Institute of Chartered Accountants, for example, the department established a working committee to investigate the causes of the underground economy, to examine audit techniques and identify training that would assist in tracking down unreported or under reported income and identify the opportunities for reducing the cost of the administrative burden for compliance for businesses and individuals.

These groups are taking the message of the risks of dealing in the underground back to their memberships. Every citizen and every business has a role to play in eliminating the underground economy. Individuals can start by refusing to deal with businesses and trades people who ask for cash payments. Businesses can do their part by turning down demands to do work off the books by making sure that does not happen.

To ensure everyone is aware the government is serious about prosecuting those who deliberately defraud the system, the Minister of National Revenue is publicizing convictions for tax evasion. The increased publicity has had a deterrent effect. The number of voluntary disclosures received by the department in which people have come forward to correct their tax affairs has doubled in the past year. In addition, the number of referrals received from people each year providing the department with leads on potential tax fraud has risen to about 19,000.

I am confident we are making the right progress in dealing with the underground economy and I am hopeful all Canadians and all members of the House will applaud the efforts of the member for Mississauga South for stimulating this debate in the House.

I urge members of the House to carry the message back to their constituents. I urge the members of the House to actively seek solutions for the underground economy and create a better and fairer nation for every business.

The Acting Speaker (Mr. Kilger): The time provided for the consideration of Private Members' Business has now expired. Pursuant to Standing Order 93, the order is dropped to the bottom of the order of precedence on the Order Paper.

It being 6.20 p.m., the House stands adjourned until tomorrow at 10 a.m., pursuant to Standing Order 24.

(The House adjourned at 6.20 p.m.)

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